





OVERSEAS NEWS

# Bérégovoy and Pöhl clash on interest rates

By David Marsh in Bonn

MR Pierre Bérégovoy, the French Finance Minister, and Mr Karl Otto Pöhl, president of the West German Bundesbank, clashed privately this week in Paris over French fears of rising German interest rates.

Mr Bérégovoy voiced anxiety that the Bundesbank might launch a new round of "interest rate escalation" in a meeting on Wednesday of the Franco-German Economic Council. The two countries were concerned to play down the row after the meeting to avoid disturbing the foreign exchange market.

Consequently, in statements after the meeting, the French and the Germans placed emphasis on the common fight against inflation.

Pressed about German interest rate policies, Mr Pöhl told Mr Bérégovoy that the Bundesbank had merely been responding to market pressure in raising leading interest rates in recent weeks.

Mr Pöhl also told the French that the Bundesbank's policy was decided not simply by the president but by the central

bank's 18-member council. Mr Pöhl pointed too to the role played by tighter money in the US in influencing German monetary policy.

After this long explanation, Mr Bérégovoy replied sarcastically: "That means you must be planning something."

The Bundesbank raised its discount and Lombard rates by half a point to 4 and 6 per cent respectively last month. Speculation is rising of another increase when the council meets next Thursday, following a fresh increase in the Bundesbank's interest rates on its securities purchase transactions with banks this week.

However, officials yesterday pointed out that the renewed weakening of the dollar might make such an increase unnecessary.

France fears that gradual tightening of the Bundesbank's monetary policy will put pressure on the franc within the European Monetary System, where exchange rate parities have not changed for more than two years.

## Portuguese hit by another transport strike

By Diana Smith in Lisbon

PORTUGUESE commuters were hit yesterday by mass transport strikes for the second time this month.

Transport unions attempted a total stoppage of rail, bus, ferry and tram services in protest at soaring inflation (12.2 per cent a year), shrinking real wages (average 1988 increases of 8.5 to 9 per cent) and new labour rules aimed at bringing Portugal's rigid hiring and firing laws closer to EC practices.

Post office staff, who held a one-day stoppage on Monday, struck again yesterday.

However, unlike the almost total transport strike on February 3, when there was no government intervention apart from supply of a few private buses, the authorities yesterday ordered Lisbon Underground workers to work or face charges. Underground trains ran normally.

It has taken eight years for Portugal to get labour law changes on to the statute book; this change finally came at a time of edgy relations between government, unions and management.

Workers and business confederations feel they were insufficiently consulted over labour law changes.

Rocking inflation and the Government's refusal to acknowledge the gravity of the problem until its standing in opinion poll hit record lows, and punitive new taxes for companies and individuals, have all eroded a consensus achieved in the days before the Prime Minister, Mr Anibal Cavaco Silva had an absolute majority and used to negotiate rather than ordain.

## Hong Kong to seize proceeds of drug dealing

By John Murray in Hong Kong

THE Hong Kong authorities are stepping up the battle against international drug trafficking with the introduction of laws countering money laundering and allowing confiscation of the proceeds of drug dealing.

The bill, published yesterday and likely to become law within three months, is modelled on the Drug Trafficking Offences Act introduced in the UK three years ago. It brings Hong Kong laws into line with those of countries such as the US, Canada and Australia.

Courts will be able to freeze assets of defendants in drug cases, and may confiscate their property upon conviction.

There will be a maximum penalty of 14 years' jail for those convicted of helping traffickers launder funds. People will be obliged to report financial transactions which they know or suspect are connected with drug trafficking.

Mr Geoffrey Barnes, the colony's Secretary for Security, said the success of the legislation would depend largely upon the co-operation of financial institutions.

The Hong Kong Association of Banks and other industry bodies were consulted during the drafting of the law and the banks have drawn up their own guidelines for staff on internal reporting mechanisms.

Hong Kong's role in the international drug trade was highlighted earlier this week after several arrests were made in the territory in connection with the record heroin seizure in the US.

## South Korea's surplus cut

By Maggie Ford in Seoul

A SURGE in imports following a government decision to open markets has cut South Korea's current account surplus from \$908m (\$519m) in January 1988 to \$536m last month, according to the Bank of Korea, the central bank.

Imports grew by 21 per cent to \$4,021m, compared with \$3.3bn in the same month last year, boosted by a reduction in tariffs from January.

Exports registered slower growth of 11 per cent to \$4.5bn, compared with \$4bn last year.

The slowdown was expected following the strong December

figure of \$3.2bn as companies closed the books for the year.

The January trade surplus of \$430m, compared with \$679m last year, was welcomed by government officials under pressure to reduce the surplus, especially from the US.

An official at the Economic Planning Board and the Government would continue efforts to boost imports in the hope of keeping the current account surplus below \$10bn for the year. Last year South Korea recorded a surplus of \$14.5bn and a growth rate of 12 per cent.

## Poor harvest prospect adds to Argentine woe

By Gary Mead in Buenos Aires

ARGENTINA faces its worst cereals harvest in a decade, according to the Buenos Aires grain exchange. The crop is expected to be 19 per cent down on last year.

Late 1988 forecasts had predicted a crop of more than 40m tons, worth \$5.5bn (\$3.1bn). Estimates now suggest a 29.5m-ton harvest, worth \$3.5bn.

A persistent drought, which has affected key farming areas for several months, has reduced the number of hectares sown to 18.6m, 4.7 per cent less than last season and the lowest for 20 years. Particularly badly hit is one of Argentina's biggest earners of foreign currency, maize, production of which is estimated to be 57 per cent down on last season. The final maize crop is projected to be 5.8m tons.

Agricultural analysts say that low harvest expectations

are only partially explained by the severe drought. Another key factor has been government exchange rate policy, which has been used as a form of indirect taxation on agricultural exports.

That policy was readjusted at the start of February in order to alleviate pressure on interest rates and stabilise the austral. However for much of the month Argentina has experienced soaring interest rates, which reached 40 per cent per month yesterday.

Government officials said that they expected interest rates to drop next week, and that the high levels were due to unofficial and illegal currency futures traders who, in the search to attract sufficient cash to settle end-of-month dealings, were pushing up rates. Those same officials are coming under wider attack as the economy heads for further chaos.

UK NEWS

# Why Treasury might see the green light this year

Ralph Atkins explains how tax incentives could help promote a cleaner and healthier environment

IT SEEMS that even the Treasury is turning green at the edges. Since last year it has used envelopes marked "recycled paper," while ministerial cars run on lead-free petrol.

Budget day on March 14 might see further tentative steps being taken in using the tax system to promote a cleaner, healthier environment.

The betting is on higher tax incentives for unleaded petrol, after the conversion of the Queen's fleet of Rolls-Royces. And there is no shortage of other ideas being proposed by environmental groups and academic economists.

In theory, it would be an ideal year for Nigel Lawson, the Chancellor, to move himself a friend of the earth. Green issues are high on the political agenda, while macro-economic considerations are likely to mean an otherwise lacklustre Budget.

Of course, it would be unwise to hope for too much, if only because of the inbuilt conservatism of the legislative system. Many suggestions have got no further than textbooks. Assumptions that the Government would be helped further if it extended the use of taxes in influencing behaviour might founder on its well known opposition to unnecessary market distortions or fiscal fine-



tuning.

An obvious start to a green tax programme would be to boost sales of unleaded petrol. There is a consensus among the environmental lobby that the differential compared with normal four-star petrol needs increasing if its use is to become widespread. According to this argument, the gap between unleaded and leaded petrol at the pumps should be raised from 6p to between 10p and 12p.

The battle against lead pollution would be helped further if tax breaks were given on new cars that take unleaded petrol or, better still, were fitted with catalytic converters that remove other exhaust emissions.

The use of sales taxes to safeguard the environment could subsequently be

extended to other areas. The aim would be to make prices paid by consumers reflect the cost of damage to the environment caused by a particular product or service. In economists' language, market prices would be equated with social costs.

Friends of the Earth, the environmental organisation, proposes imposing a special sales tax on pesticides. That would compensate for undesirable side effects on the principle of "polluter pays."

Mr Charles Secrett, campaign co-ordinator, said: "We have a serious problem of pesticide contamination, particularly of watercourses, which means that in many areas water quality doesn't meet European standards. Yet it is extremely expensive to monitor and control."

The advantage of a sales tax is that it could be directed precisely, without the clumsiness of an outright ban. Specific pesticides would be listed - and the extra tax imposed might even be varied according to the damage caused. Any aversion to levying extra taxes might be eased by dubbing it a "pollution charge."

Another variant, also proposed by Friends of the Earth, would be a resources tax. That would be imposed on commodities such as aluminium or paper pulp where there is

scope for increasing recycling to ease damage to the environment from intensive forestry or mining.

If companies and individuals gave more thought to increasing recycling, it need not increase costs. More aluminium cans, for instance, could be recycled if labelled to show whether they contained impurities. Mr Secrett of Friends of the Earth says: "This would be a way of producing less waste, saving valuable raw materials and reducing the environmental impact of mining all at the same time. Everyone would benefit."

A more ambitious scheme - almost certainly stepping beyond the scope of Budget changes - would use "marketable permits." Under the scheme, companies have permission to emit a certain amount of pollution but total emissions are controlled by restricting the number of per-

mits available.

However, unlike a straight sales tax, companies could trade permits between themselves, according to the cost of cutting their emissions. Its appeal to the Government is that it offers a market-based solution to correcting imbalances between market and social costs.

Marketable permits would only work where there was a small number of polluters - they would be useless for controlling car emissions but could be used in the chemicals industry or to control acid rain caused by sulphur dioxide and nitrogen oxides emitted from power stations.

Professor David Pearce of University College, London, says: "The people who find it very expensive to control pollution would go for the permits. People who find it easy to control pollution would sell theirs. It is exactly what you

want them to do to minimise the cost to the nation of reducing pollution."

He adds: "The problem is how to sell it to industry. My solution would be to say you can either have stricter and stricter standards or you can have the same regulations but get it very much more cheaply if we use this sort of mechanism."

There are other, less sweeping, changes that the Government could make. Friends of the Earth says a big increase in taxes on petrol would discourage unnecessary use of cars and help to promote public transport.

A shift in the burden away from vehicle excise duty (which Friends think is beset by widespread evasion) towards tax on petrol would penalise heavy use, rather than taxing car ownership. There would also be environmentally advantageous side effects to removing tax benefits on company cars. Incentives to buy more expensive, petrol-guzzling vehicles would be removed. Green taxes are likely to be mostly revenue-raising - perhaps unwelcome for a Chancellor facing a big public-sector debt repayment. His embarrassment could be eased, however, if alongside revenue implications in ministers' briefing notes, officials were to set out the environmental gains.

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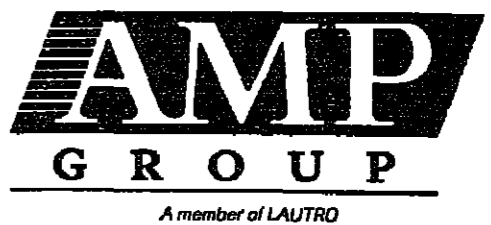
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UK NEWS

Gateway to ban aerosols that contain CFCs

By Christopher Parkes, Consumer Industries Editor

GATEWAY, the £20-store supermarket chain, is to ban the sale of aerosols containing chlorofluorocarbon (CFC) propellants from July...

Council pension funds choose venture capital

By Charles Batchelor

COUNCIL pension funds have been investing in venture capital, according to a survey published by the Pension and Investment Resource Centre...

Nuclear quality systems are sound, CEBG says

By David Green

THE Central Electricity Generating Board yesterday challenged an independent consulting engineer's claim that its quality assurance system is inadequate...

Labour revises training policy

By Charles Leadbeater and Fiona Thompson

MR MICHAEL Meacher, Labour's employment spokesman, last night mapped out a radical revision to the party's policy on training...

Computer staff in short supply

By Fiona Thompson, Labour Staff

RECRUITING and retaining experienced computer staff remains a problem for many organisations, according to a report by Income Data Services...

Homework deserves some serious study

Jimmy Burns reports on an answer to the skill shortages facing employers in the 90s

IN BIRMINGHAM, Mrs F, a mother of two, insists on anonymity. For most of the year, she assembles, wraps, and boxes Christmas crackers...



Women at work

die hard among employers responsible for an estimated 70,000 to 100,000 women engaged in a wide range of low-paid home-based manufacturing jobs...

At ICL, a strict recruitment policy is aimed at ensuring that an applicant is able to combine domesticity with her work without allowing one to undermine the other...

Talks fail to end exam boycott

By David Thomas, Education Correspondent

THE EXAM boycott in the universities seems set to intensify following the failure yesterday of the employers and the Association of University Teachers to produce any fresh initiatives...

Training scheme draws 151,000

By Fiona Thompson

A TOTAL of 151,000 people have now signed on to the Government's Employment Training Scheme for long-term unemployed adults...

Cardiff's decision to offer its academics 5 per cent from March 1, a month before the 1989-90 settlement date...

Advertisement for Drayton Far Eastern Trust plc. Features the text 'A top ten performer in 1988' and 'Drayton Far Eastern Trust plc, has, once again, shown an outstanding performance with Net Asset Value up 38%'.

Advertisement for Kleinwort Barrington. Features the text 'PEOPLE WHO KNOW CHOOSE THE BEST' and 'Kleinwort Barrington'.

Saturday February 25 1989

## The Tories stay safe

THE PIECES that make up Britain's political jigsaw are moving about, but the overall picture remains the same. Mrs Margaret Thatcher's Conservative Government is here for the duration. The Opposition, which might be effective if it could be unified, remains ineffective because it is divided. Yesterday's by-election results seem likely to add to its disarray, at least in the short run.

Both results were a disappointment for the Labour Party. In Pontypriid, which Labour held, the Conservative share of the vote fell - but so did the Labour share, albeit to a lesser extent. The major opposition party cannot afford to see its vote reduced, even by a Welsh Nationalist upsurge, if it is to have any hope of regaining credibility as a potential winner of the next general election. It is true that the gap between the parties, as recorded in the opinion polls, has narrowed in recent weeks. Yet that alone is not good enough. At this stage of a parliament, with the Government in some difficulty over inflation and assorted other issues, Labour should be ahead and running onwards.

The Richmond result showed how far the opposite is the case. The Tory majority dropped very sharply, indeed from 19,543 to 2,634, but the Government's concern at this important indication of its current unpopularity in that area will undoubtedly be tempered by the extraordinary spectacle of

what happened among the also-rans. Labour lost its deposit. That would be bad enough for the opposition taken as a whole, but worse news, from the anti-Tory point of view, was that the two factions of the former Alliance prevented one another from taking the prize of victory that would have been theirs if they had stood as one party.

The Social and Liberal Democrats have based their entire strategy on the proposition that the far smaller Social Democratic Party under Dr David Owen would vanish after a series of overwhelming defeats. This seemed to be working in local council by-elections, and indeed it had some small success at Pontypriid. All is now changed by the SDP's triumphant second place at Richmond. It is clear that Dr Owen will not yet have reason to leave the field to Labour and the Democrats.

The Democrats will have to rethink their strategy. Dr Owen seemed yesterday to be in no mood to accept the offer by Mr Paddy Ashdown, leader of the Democrats, of a fresh merger; he would, however, like an electoral pact. Neither choice would produce stability at the centre, let alone success for the Tories.

The message that rising fares are gradually becoming imbedded in wage costs is certainly suggested by unpublished Labour Department figures, which show that airline wages reached their nadir as far back as 1985 and began to rise rapidly from mid-1986 onwards.

From 1985 to 1988, average hourly earnings in air transport rose by 19.6 per cent - more than double the 7.8 per cent wage inflation in the US economy as a whole. This contrasted sharply with the period of intense competition from 1983 to 1985, when earnings fell by 1.4 per cent in air transport, against an economy-wide increase of 6.8 per cent.

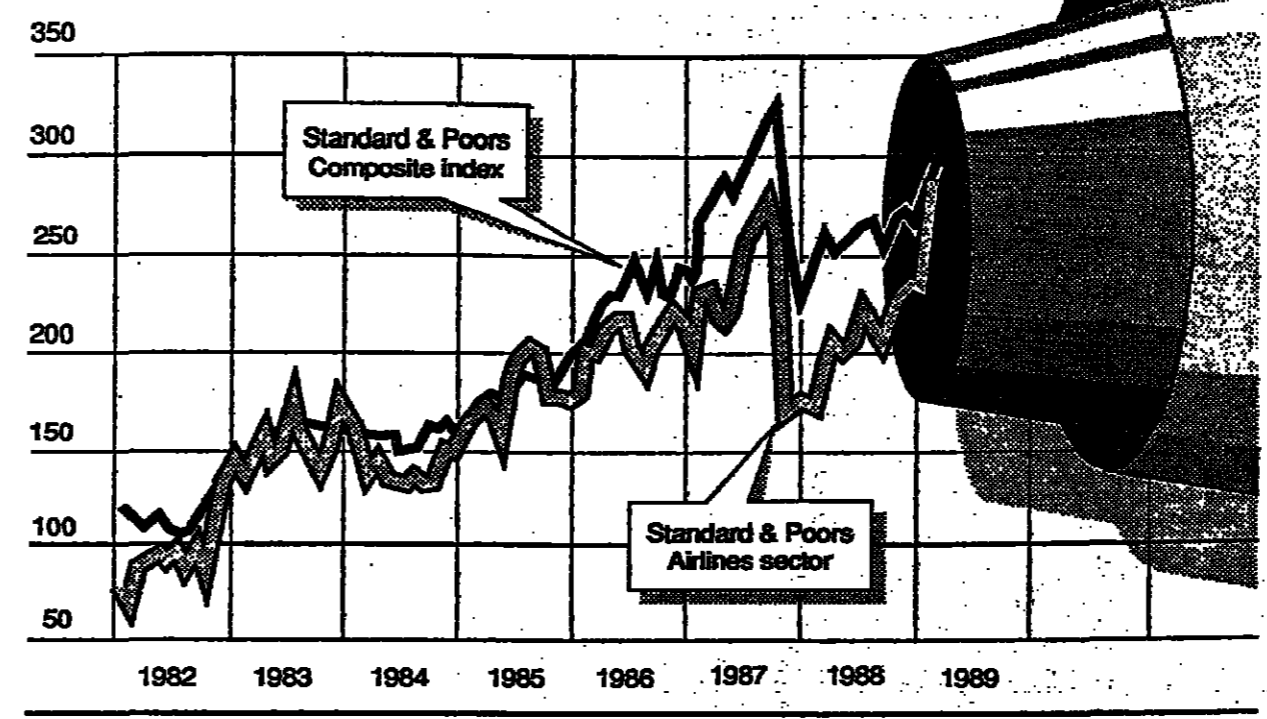
But even if costs and fares continue rising, will this imply that deregulation was an experiment that failed? Despite their gripes about the airlines, the US public and their politicians would reply with a resounding "no".

For one thing, fares are still lower in real terms than they were in 1978. Furthermore, insofar as costs are rising, this partly reflects healthy economic forces and the public's own

## Anatole Kaletsky on US airline deregulation and its lessons for Europe

# Big birds back in American skies

US Airlines sector share price performance



desires. The airlines' profitability is only now returning to the level required to support the immense investments in aircraft which it needs. The pay and conditions of airline personnel probably needed improving, to judge by travellers' demands for better service, to say nothing about their concerns about safety.

Another reason for deregulation's public popularity is less obvious. Even if average fares and costs eventually rose again to pre-deregulation levels, most Americans would continue to benefit from freely determined air fares.

For the economics of air travel ensure that free market pricing confers large subsidies on holiday-makers at the expense of business travellers, or more precisely, their employers. In this respect the airline business is the polar opposite of telecommunications, where the other great industry deregulated in the 1980s.

While routes and timetables are designed around the needs of business travellers, airlines will compete ferociously in offering bargains to price-sensitive holiday-makers to fill the seats that remain empty after the business demand is satisfied.

Meanwhile, the businessmen are bought off in a free marketing system with bonus schemes for "frequent flyers." These offer free holidays for repeated patronage, not only encouraging "brand loyalty" but also promoting increased flying and making businessmen less sensitive to the fares their employers pay.

Not surprisingly, opinion polls have consistently shown support for keeping the airlines free, even while the public remains sceptical about the benefits of telephone deregulation.

Finally, there is a less cynical and more fundamental reason why deregulation is unlikely to be judged a

failure. It does not take a PhD in economics to see that the main forces driving fares and costs upwards since 1988 has not been deregulation but monopoly power. It was the wave of airline mergers in 1986, culminating in the rapid-fire acquisitions of People Express, Frontier and Eastern by Texas Air, that created the oligopoly of six nationwide carriers - United, American, Texas, Delta, Northwest and USAir - which now rules the skies over America.

This oligopoly has reduced to two the number of competitors at many of the biggest hub airports around the US. And it is those local duopolies that have in turn enabled fare increases to stick over the past two years.

The obvious conclusion to draw from the American experience therefore is that deregulation should not mean complete laissez faire. Free pricing should not mean abandoning competition policy. On the contrary, governments that want market forces to work in air travel must redouble their vigilance against anti-competitive mergers.

Unfortunately, this may be easier said than done. Most of the takeovers of 1986 and 1987 involved companies which were either on the brink of financial failure or had very dim prospects as independent competitors. The wave of mergers was motivated not only by the laxity of anti-trust enforcement, but also by the perceived inability of small airlines to survive, or at least prosper, in the new competitive environment.

It turned out, in other words, that the giants had bigger in-built advantages than most proponents of deregulation had thought. As one former aviation official put it: "We envisioned a hundred airlines flying to every major hub - the market has shown us that's

not practical."

The in-built advantage of the big carriers must not be exaggerated. There are still profitable niches for "upstart" companies. And the latest fear among the Wall Street airline analysts - that financially powerful and well regarded European airlines will one day win the right to fly domestic routes as a *quid pro quo* for US airlines' rights in Europe - suggests that a second wave of competition in the US airline industry could yet be in store. Nevertheless, the US experience does suggest several reasons why airlines have a natural tendency towards oligopoly in an unregulated market:

- Carrying an extra passenger on an established route costs virtually nothing. This means that an airline with a strong hold on the price-insensitive business market will offer super-competitive fares, well below average costs, to marginal passengers. This will deter rivals from competing on its routes - or bankrupt them if they do try to compete but fail to win a large part of the business market. That was what happened to People Express and nearly happened to Texas Air when they tried to break into markets dominated by the high-cost, "high quality" business carriers such as American and United.
- The airlines' ability to differentiate between business and leisure customers has been immensely expanded by the use of computerised reservation systems (CRSs). These systems have become extremely powerful competitive weapons not just because they could sometimes be used to exclude from travel agents' computer screens the flights offered by rivals - a practice now banned in the US. More importantly, the CRSs enable airlines to make minute-by-minute decisions, based on sophisticated statistical

analysis, about the likelihood of seats remaining empty. This allows them to vary the availability of discount fares and thereby snare the maximum number of full-price customers while minimising the seats left empty. The CRSs also provide instant information on competitors' prices and sales volumes, making both predatory and collusive pricing that much easier.

- Frequent-flight bonus programmes create significant barriers to entry for new or small airlines. The business traveller tends to remain loyal to his chosen bonus carrier, usually the one with the most extensive route network out of his city. Because business travellers, practically those who do not mind paying premium prices, play such a vital role in airline economics, the bonus schemes are surprisingly important to airline competition in the US.

● The biggest competitive obstacle of all, however, lies in the shortage of physical infrastructure required to make flying possible. The hub-and-spoke route system which all airlines have adopted since deregulation has greatly increased congestion and raised the value of gates programmes. The economic and historically overcrowded airports and historically allocated landing and take-off slots. At many of the main transport hubs, including New York, Chicago, Atlanta, Washington and Denver, there is no way for new competitors to move in on a significant scale without somehow acquiring gates and landing slots from the very airlines they plan to challenge.

For policymakers considering deregulation in Europe, the US experience therefore raises some difficult questions. Could any of these obstacles to competition be removed by conscious government action? And should this be done as part of an airline deregulation policy package?

While the use of CRSs and frequent-flyer programmes might call for greater surveillance by competition agencies, it would be difficult to deny the airlines these powerful marketing tools.

The pricing flexibility created by the CRSs in particular confers considerable benefits on consumers and helps to ensure the maximal use of the economic resources society allocates to air travel.

It becomes obvious by comparing the US system of differentiating seat prices through marketing techniques with the European method, which separates leisure from business travellers by putting them on different planes.

The US system is far superior because it takes advantage of the natural symbiosis between the two types of travellers. By carrying holiday-makers and businessmen together, the US airlines can offer more frequent and convenient scheduled flights to more destinations than their counterparts in Europe.

Airport congestion, however, is a very different matter. The allocation of gates and landing rights is a legitimate public concern, which could be dealt with by holding regular auctions of these natural monopoly assets.

Such auctions would be the biggest step that any government could take to preserve competition in a deregulated air transport system. For Europe particularly, an auction system that put a price on airport rights would be far preferable to the alternative solution advocated by the airline lobby - covering the landscape with more and bigger airports.

Of course auctioning airport rights would raise the costs of air travel and, in particular, of the hub and spoke route systems which have exacerbated airport congestion. But that is no objection. Making passengers pay the full social costs of flying would simply be another step towards creating a genuinely efficient free market in air travel.

## The Moslems in Britain

THE CENTRAL point in the speech by Mr Douglas Hurd, the Home Secretary, at the Birmingham Central Mosque yesterday was this: "The law in Britain is above us all. It applies to everyone, whether Christian or Moslem or Sikh or Jew. No one is entitled to pick and choose which laws he or she obeys."

The Moslem community in Britain seems to have become quieter and more restrained since the original reactions of some of its members to Mr Salman Rushdie's book, *The Satanic Verses*, set off protests of one kind and another around the world. It would be schizo-phobic to pretend that the Moslems in Bradford deliberately started a chain of events that has led to death threats and demonstrations on such a scale. Yet the fact remains that the protest did begin in Britain. If it had not,

The Satanic Verses might have received rather less attention. And if the initial protesters had used only a little forethought, they would have realised that what they were doing was profoundly against the traditions of the country in which they live. We do not burn books, even symbolically, and incitement to violence is a punishable offence.

As Mr Hurd said, several Moslem leaders in Britain have now made statements accepting that, if their followers wish to reside here, they must obey the law of the land. We hope that that is the end of the domestic implications of the Rushdie affair in terms of damaging relations between the communities. But it has been a lesson expensively learned, and the law against incitement remains - to be used if necessary.

## MAN IN THE NEWS

### Vaclav Havel Imprisoned Czech with a liberated spirit

By James Blitz



nder Dubcek's earlier version of perestroika, this Politburo belongs to 1969, not 1988.

Havel learned early to know the state as a political brute. His upbringing in a wealthy middle-class family was held against him in the early 1960s, at the height of Stalinism, and he received the punishment that creates so many East European rebels: he was forbidden to enter higher education.

He worked in a chemical laboratory, reading voraciously by night, principally the work of Jan Patocka, a Czech moral philosopher who was later to become the inspiration behind Charter 77. Patocka says that we should see things, relations and events as they present themselves to us, and not in the way they are presented by an ideology or scientific theory. That is about as far as a

philosophy can get from Marxism, and Havel devoured it.

One of his fellow-activists identifies another essential strand to Havel's belief in "living honestly". Havel writes as though censorship did not exist and behaves as though there were no state coercion. As Jiri Nemecek, another long-time friend, puts it: "If he didn't want to write about something, he didn't write about it. And if he did, then he only wrote about it in a way that was true."

It was difficult, though not impossible, to adhere to such a principle in Czechoslovakia in the years before 1968, when Havel wrote his first plays. But the political crackdown that followed the Soviet tanks was not followed by the Party's authoritarianism as has been met

by a quiet stoicism in Prague's people, which can be felt by any visitor to the capital today.

Havel, however, has kept to the principle of saying what he thinks. His open letter to the former Party leader, Gustav Husak, delivered in 1975, was a direct attack on the system. "The idyllic image is artificial. It is not based on any real beliefs in the regime's goals, any trust in your government nor even on any vague agreement with your overall policies. Corruption is widespread. There is hardly anyone who does not take bribes - from the ministers down to the plumbers."

The letter is written in uncomplicated and direct prose. In his plays, Havel loves to mock the unnecessarily complex language of Commu-

nist officials, which hides true motives. In his best-known work, *The Memorandum*, the bureaucrats invent a new official language, *Philosophy*, which buries their uneasiness in a way of speaking whose length depends on the frequency of use. "Wombat", for example, has 519 letters.

Havel's participation in the human rights groups Charter 77 and VOANS (The Committee for the Defence of the Unjustly Persecuted, founded in 1978), opened a new and unpleasant chapter in his life. He has spent four of the last 11 years in prison and has been under constant police surveillance. It could all have been avoided if he had accepted an offer from the authorities to emigrate to the US in 1978. He turned it down and started a three year jail sentence.

The dilemma facing a dissenter who is offered freedom in exchange for silence is the theme of his play, *Large Deserto*. The state police tries to force a professor to sign a renouncing his work, while his friends force him to take a stand. After much dithering, the professor tells the police that he will not sign, only to find that the state refuses to lock him up: the dithering has been recorded as a vote in favour of the regime.

The inspiration for the play, according to a former colleague, Karel Kyncl, was an event which profoundly distressed Havel. During a short stay in Prague's Buzynce prison in 1977, Havel wrote a cleverly-worded letter asking to be released. To his surprise, the letter secured his freedom, but was published by the press in the form of a renunciation of his activity against the regime. For a long time, Havel was tormented by guilt for having lowered his guard.

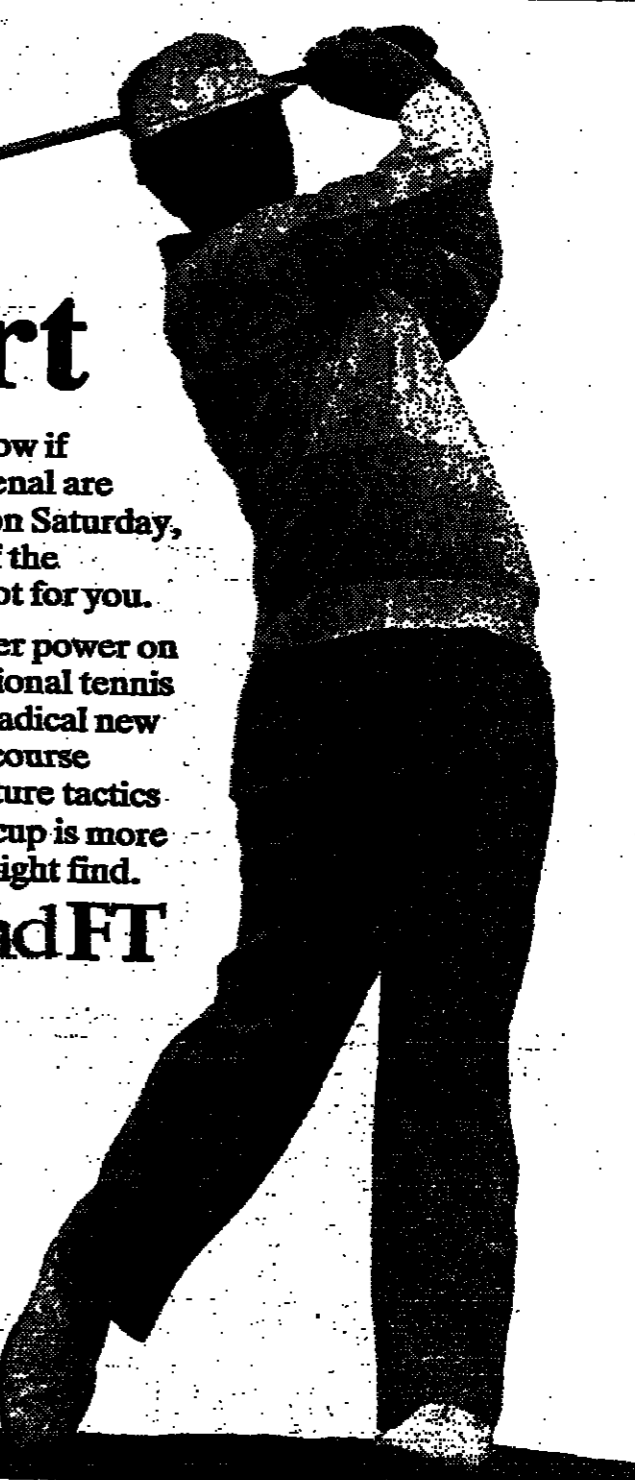
This weekend, back in the same prison, he will not ask to be let out early. In the past, he has been on a programme of hard labour, making heavy steel mesh and strapping the insulation off wires. He may be behind bars, but some say that his is the most liberated spirit in Czechoslovakia.

## Sport

If you want to know if Liverpool or Arsenal are playing at home on Saturday, the sports page of the Weekend FT is not for you.

The latest in player power on the world professional tennis circuit or even a radical new approach to golf course design or even future tactics in the America's cup is more likely what you might find.

## Weekend FT



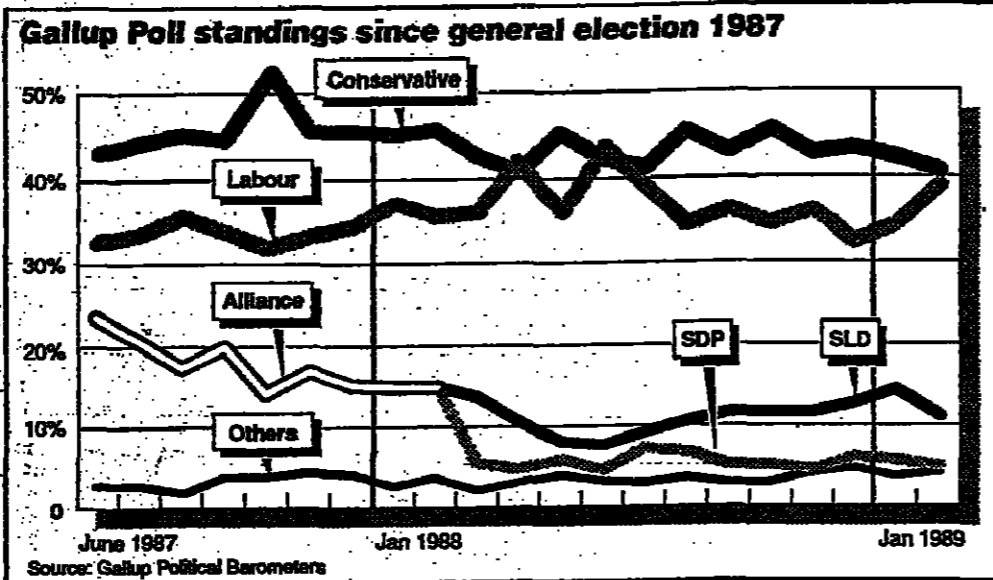
Philip Stephens on how recent events have changed prospects for the opposition

Politics have returned to Westminster. After an 18-month lull this week's by-elections have reinforced recent movement on the political landscape.

The immediate focus this weekend is on the narrowness of the Government's escape in the Richmond poll - and on the continuing role of the national stage secured by Dr David Owen's SDP.

As Mr David Steel, the former Liberal leader, put it earlier this week: "It is all a glorious mess" - with no immediate prospect that either side will win a clear majority.

That raises the intriguing possibility of Dr Owen edging yet further in the direction of endorsement of Labour as a potential partner for the SDP.



UK politics become interesting again

apparent inevitability of one-party politics at Westminster. The contest for the Vale of Glamorgan following the death of Sir Raymond Gower, the sitting Conservative MP, will provide a further, and more genuine, test of the public mood.

That said, Labour believes that the combination of economic uncertainty and the Government's determination to push through unpopular policies provides an opportunity for it to move to the offensive.

Alongside this, Labour believes that her current programme leaves Mrs Thatcher open to the charge that her much-vaunted determination is turning into dogmatism.

Such attacks can only be effective, however, if Labour's alternative policies can be presented as both coherent and competent.

More generally, the Government is seen as failing to respond to public concerns from a whole range of issues - from education and training to health and transport - which Labour groups loosely under the heading "quality of life".

The prospect of still higher inflation and the possibility that borrowing costs might rise yet again to defend sterling are seen as casting serious doubt over that competence.

A President pushed on to the defensive

Peter Riddell and Lionel Barber assess the political consequences of the row over John Tower

Foreign trips usually provide ideal opportunities for distracting attention from domestic political worries. That was the plan for President George Bush's six-day Far East tour to Japan, China and South Korea.

He has expressed full confidence in Mr Tower, who has stood unflinchingly in a hall of accusations of drinking and womanising - which he strongly denies - and criticism of his fitness for the post.

The high stakes involved in the Tower nomination have been clear ever since Mr Bush's December choice of Mr Tower as his choice of Mr Tower as Defence Secretary.

The job was perhaps the most sensitive in the Administration. Public confidence in military spending has been badly damaged by procurement scandals; the Pentagon's \$300bn a year budget faces drastic restructuring to resolve a huge mismatch between planned spending and available funds.

Armed Services Committee chairman, said the US Defence Secretary stands at the top of the chain of command and "leadership must be set from the top down".

Mr Tower defended his lucrative fees by declaring that he left the Senate nearly penniless, partly as a result of a wrenching divorce. But those Democrats with longer memories could recall Mr Tower's less than spartan lifestyle and they had a different view.

They were aided by an unlikely alliance of conservatives, many from the Moral Majority, who were outspokenly critical of Mr Tower's private life.

They were aided by an unlikely alliance of conservatives, many from the Moral Majority, who were outspokenly critical of Mr Tower's private life. They did their spadework, unearthing allegations about Mr Tower which subsequently had to be checked and rechecked by the FBI which finally produced a report of several volumes.

week's vote revealed, the pressure tactics failed to pay off and Democrats stayed loyal to Mr Nunn. All the signs are that this loyalty will remain firm next week when the full Senate vote is taken.

Whatever the outcome, the impact of the affair is likely to be lasting. The fierce arguments, and the division of the committee along party lines, have undermined the hope of creating a bipartisan spirit of co-operation.

Leaders of the Democratic Party, which increased its majorities in both houses of Congress last November, do not believe the President has an unqualified mandate. This has infuriated Republicans who have seen in the Tower affair a first crucial test of the balance of power between Congress and the President, with the latter's role to change constitutional practice.

More specifically, the long drawn-out row has affected the reappraisal of US foreign and defence policies. Mr Brent Scowcroft, the President's National Security Adviser, had to admit this week that the Administration's reviews of foreign policy were being held up by the delays in completing the foreign and defence teams.

Cardboard culture

From Mr Patrick Uden. Sir, "Out with the glass cages of stuffed birds, in with push-button displays on ecology, 'repeats', 'repeats', 'repeats' of the Darwinian 'Theory' (Culture clash in Kensington, February 23). But museums have more reasons to exist than to educate the nation about current fashions in science or art."

What are our great grandchildren going to thank us for, when these cardboard 'repeats' have been reduced to the cardboard aesthetic of our faddish high streets? What will these children learn, when visiting a museum is no different from the slog-shopping which has made its trustees rich knights - and the nation's families grimace at the well-packaged emptiness?

As little as 10 years ago, the Natural History Museum in London was a dignified homage to one of the world's greatest scientists, Darwin. Like a vast, roadside, terracotta cabinet of taxonomy it displayed the natural treasures (and misconceptions) of the Darwinian age: a window into the mind of the 19th century scientist.

Now, because these places are seen simply as under-utilised floorspace by our market-obsessed mandarins, they could end up hardly more informative than an amusement centre. It is - or was - a "designer" history. South Kensington is not just a group of potential superstores. It is - or was - a museum of museums. By all means build new museums like Sir Terence Conran's excellent Design Museum, but the nation must retain the unique history of thought that old museums give us, even if it means high charges. Patrick Uden, St Georges Fields, W2

Consequently

From Mrs Rosalie Nicholson. Sir, An interesting juxtaposition of letters appeared on the V&A museum and the Design Centre (February 16).

The V&A was a consequence of the Great Exhibition of 1851; the Design Centre was a sequel to the Festival of Britain of 1951. Both were intended to exhibit exemplary contemporary design, to stimulate better design in UK manufactured goods. Both now fail to do this.

Insurance in the 'free' market

From Mr Malcolm Murray. Sir, Sir Gordon Borrie (Letters, February 18) argues that the abolition of the Maximum Commissions Agreement (MCA) is in the interests of the consumer. It is not.

Nor will it be. Sir Gordon goes on to offer a glimmer of hope, saying: "In due course I am required by the Financial Services Act to assess the implications for competition of the final rules which emerge from the Securities and Investments Board's (SIB) consultation on its proposals."

The trouble is that Nero fiddles while Rome burns. The abolition of the MCA and, simultaneously, the requirement that the independent financial adviser alone should disclose his/her commission, puts the independent at a considerable commercial disadvantage compared with the tied agent.

It is only since these changes were announced that the independent insurance companies bidding up commission rates. Once they realised that a major source of their business was threatened, out came the cheque books in an attempt to attract as tied agents, many of those who had previously traded as independent advisers.

Despite what Sir Gordon Borrie and the European Commission might believe, the insurance industry has always been highly competitive, and it will continue to be. Whereas, in the past, competition benefited the consumer by forcing insurance companies to offer value for money in products if they wanted a share of the business placed by the independent adviser, the opposite will now be true. In future, competition among life companies will be for market share. This involves offering higher commissions to build up tied sales forces.

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Property is a less than perfect market

From Mr R.S. Broadhurst. Sir, Mr Matthew Oakeshott questions the validity of the recent incidence of premium discounts to the valuation of a property portfolio greater than the sum of the individual parts (Letters, January 21).

He correctly reminds us that valuation is an art rather than a science, but as Mr Oakeshott knows from his own experience in the investment field, price and valuation are not necessarily the same, and the valuer's job is to reflect the market place.

I hope he would agree that portfolios, more often than not, offer greater "opportunity" than the single property. The wide spread of holdings in a portfolio gives the owner greater flexibility to realise the

additional value available from special purchasers or, in property jargon, to unlock "marriage value" (either of which would necessarily be included in a valuation undertaken within the guidance notes of the Royal Institution of Chartered Surveyors).

It is accepted that, in most cases, immediate sales of property are necessary to unlock the premium value that may exist in the portfolio; in recent years this has been fairly common practice. For example, in the document dated January 12, 1989, sent to shareholders, Mr John Parry, the managing director of Hammerson, referred to a sale the company had undertaken in the previous 12 months in Sydney, Australia, where a price 54 per

cent above the valuation in December 1987 had been achieved. The property in question had a "special" value to the purchaser who was the owner of the adjacent building.

It is essential for the valuer to recognise that such opportunities exist. It is generally accepted that property is a less than perfect market compared to tradable securities (hence the premium value that may exist in the portfolio; in recent years this has been fairly common practice. For example, in the document dated January 12, 1989, sent to shareholders, Mr John Parry, the managing director of Hammerson, referred to a sale the company had undertaken in the previous 12 months in Sydney, Australia, where a price 54 per

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logical baggage

Some of the shifts are already apparent. Pledges for large-scale re-nationalisation have been abandoned in favour of a policy of re-establishing public control over a handful of key utilities.

Mr John Smith, Labour's shadow Chancellor, is set to propose a tax structure which will include a starting rate of income tax below the 20 per cent target set by the Government and with a top rate of only 50 per cent.

But it is much too early for euphoria. Many senior Labour figures at Westminster privately share Dr Owen's view that it will take more than a handful of attractively-packaged policy documents to restore Labour's credibility.

In the crucial area of defence, it remains far from certain that Mr Kinnock will secure sufficient support for a realistic alternative to unilateralism. This week Mr Kinnock dismissed Dr Owen's recent overtures as an irrelevance, but if the newly-confident SDP leader joins with Mrs Thatcher in dismissing what emerges as Labour's new defence policy the damage may be considerable.

Meanwhile, despite yesterday's jolt, Conservative party managers at Westminster are in no mood to be panicked. They attribute much of the current rumblings on their own backbenches - and in the country - to nervousness about the economy. If Mr Nigel Lawson, the Chancellor, produces a budget package on March 14 that re-establishes confidence that the economy is heading for a "soft landing" then many of the grumbles about other issues may gradually fade away.

Ministers will be reminding nervous backbenchers that they have at least two years to recoup any temporary setbacks during the first half of 1988.

The huge public sector surplus means that Mr Lawson has ample funds both for tax cuts and for increases in public spending in the immediate run-up to the next election. That will allow him to soften the impact on the voters' pockets of unpopular measures like the poll tax and water privatisation.

Against that background, the task faced by the Labour party is immense - and not one that many in the shadow cabinet will honestly claim is yet in sight. What can be said, however, is that for the next few months at least, politics will begin to look interesting again.

ADVERTISEMENT BUILDING SOCIETY INVESTMENT TERMS

Table with columns: Product, Applied rate, Int. rate, Int. period, Minimum balance, Access and other details. Lists various investment products from Abbey National, Alliance and Leicester, British and West, etc.

UK COMPANY NEWS

Lack of Third World debt provisions and better earnings result in turnaround

Lloyds Bank returns to the black with £952m

By David Lascelles, Banking Editor

LLOYDS BANK added to the sharply improved trend in UK bank results yesterday with pre-tax profits of £952m...

shareholders: the combination of a 22 per cent rise in the share price and the dividend gave total return for the year of 41 per cent.

On the international side, profits were £78m, compared with a loss of £93m the year before. The results were reduced by a £40m charge for restructuring the overseas operations...



Sir Jeremy Morse: keeping a weather eye open for the possibility of more difficult economic conditions in 1989

The results are the first since Lloyds sold five of its personal financial services businesses to Abbey Life in return for a 57.6 per cent interest in the life assurance company...

Table with 2 columns: 1988 (£m) and 1987 (£m). Rows include Lloyds Bank, Black Horse Life Assurance, Lloyds Bank Insurance Services, etc.

Core operations help Abbey Life jump to £303m

By Nick Sunker

ABBEY LIFE, the financial services group, saw its pre-tax profits jump almost 30 per cent to £303.2m in 1988, on the back of strong performances in its core life assurance operations...

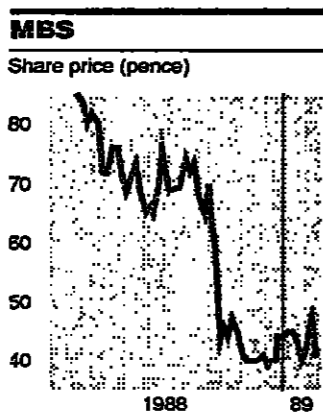
However, yesterday's results graphically underlined the extent to which the reported profits of life assurance companies increase if they switch to the new embedded value accounting method.

The only surprise in the figures was that the old Abbey Life unlinked life business, with its 8,000-strong UK direct sales force, reported pre-tax profits of £125.3m...

MBS chief quits as loss recurs

By Vanessa Houider

MBS, the troubled computer dealer, yesterday announced the resignation of Mr Stafford Taylor, its chief executive, along with a warning that it moved into loss in 1988.



The effects of the price war continued to affect MBS's PC dealer business, although there was some recovery in November and December.

Bromsgrove Inds makes £4.93m offer for Delmar

By John Thornhill

BROMSGROVE INDUSTRIES, the acquisitive engineering and financial services group, has made a recommended £4.93m cash offer for Delmar Group, the rubber and plastics manufacturer.

There will be a lot of cross-fertilisation between our two companies," he said. Mr Vincent Chapman, founder and chairman of Delmar, said "I am impressed with the Bromsgrove management and I think we should go along together quite well."

SHARE STAKES

Changes in company share stakes recently announced include: Astra Holdings - Machine Tool Works has sold 3.35m shares reducing holding to 13m (4.4 per cent).

Rank in US caravan site expansion

By Clare Pearson

RANK ORGANISATION, the leisure and entertainment group, is planning a substantial expansion of the caravan site operations in the US it acquired with Ahnert Enterprises a year ago.

The two companies, which operate in about 15 states, have a combined membership three or four times that of Ahnert, for which Rank paid £102m last March.

Rank signalled its intention to expand its US leisure-related activities last month as it announced pre-tax profits of 22 per cent higher at £255.1m on turnover of £284m in the year to end-October.

Allied London £35m placing

Allied London Properties, property investor and house-builder, has raised £35m through a further tranche of its 10% per cent first mortgage debenture stock 2026.

Schroders arranged the placing, priced yesterday at 101.32 to yield 10.61 per cent. The first £50m tranche was in 1985.

Minorco attacks Gold Fields' figures

By Kenneth Gooding, Mining Correspondent

ARGUMENTS about the huge costs run up by Consolidated Gold Fields, the diversified mining group, in its world-wide defence campaign against the hostile approaches by Minorco, the South African-controlled investment group, rumbled on yesterday.

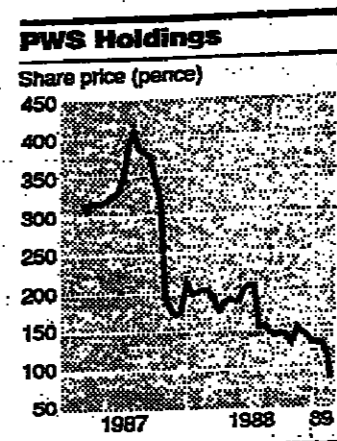
Gold Fields spent £3.3m a week, according to Mr Tony Lea, finance director of Minorco.

He said Gold Fields showed a net cash outflow from operations after capital expenditure, including working capital. "This has contributed to a further increase in net debt from £588.3m at June 80 to £968.1m at December 31 - and in consequence Gold Fields has now a gearing of 98 per cent."

PWS falls to £1.53m and tells of Ben-Zur's acquisition quest

By Nick Sunker

ACCORDING to his former colleague, Mr Ronnie Ben-Zur, the young Israeli businessman, had hatched audacious plans in 1988 prior to his abrupt resignation as chief executive of PWS Holdings, to take over US-based Frank B Hall, one of the world's largest insurance brokers.



The plans illustrated the over-aggressive acquisition strategy which explained PWS' disastrous purchase 12 months ago of GNA, a San Francisco-based insurance services group, Mr Pearson said.

The deal was "very generous" Mr Pearson conceded, but he said PWS did not want to face two years of litigation in California, with legal fees of maybe \$1m and an uncertain outcome.

First Tech raises Ricardo offer

By Nikki Tait

THE HOTLY contested takeover battle over Ricardo, the Sussex-based designer of engines and transmissions, moved up a gear yesterday when First Technology raised its offer to £22.7m and attached a cash alternative.

Under the new terms, shareholders would also keep Ricardo's 1.35p a share interim dividend.

Newmarket Venture nav falls to 94p

NEWMARKET VENTURE Capital reported that net assets were £33.4m or 94p per share at December 31. At September 28 turnover of £37.1m or £1.04 per share. The reduction was largely attributed to the fall in the US dollar and provisions against two unquoted holdings.

The company said that the profit and loss account reflected a drop in investment income and the running costs of the company, and, as such, was not a guide to its progress. Due to the reorganisation, the company stressed that the figures for 1988 were not comparable with Newmarket Co's 1987 results.

MS Intl makes acquisition for up to £0.95m

MS International, defence and defence group, has acquired Surrey-based Turner Brothers for a maximum cash consideration of £950,000, of which £500,000 is payable initially.

Kewill makes financial software buy

KEWILL SYSTEMS, the US-owned manufacturing software house, is paying about £2.4m to acquire Omicron Management Software, in which four operator Owners Abroad has disposed of a 47 per cent interest.

SGT proposals are 'uncertain and inadequate'

British Empire Securities, the investment trust which is waging a £100m bid battle for the larger Schroder Global Trust, yesterday hit back at its target's rival reorganisation scheme, claiming that these proposals were "uncertain and inadequate".

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Peel/London Shop

Peel Holdings has raised its cash bid for the preference shares of fellow property group London Shop from 8p to 10p, and declared it unconditional.



MARKET STATISTICS

ECONOMIC DIARY

TODAY: Flanna Fail annual conference in Dublin (until February 28). Mr George Bush, President of the US, pays two-day visit to China.

UK banks' assets and liabilities and the money stock (January). Sterling commercial paper (January). Balance of payments current account and overseas trade figures (January).

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, May 89, Jun 89, Jul 89, Aug 89, Sep 89, Oct 89, Nov 89, Dec 89. Lists various stock options and their trading volumes.

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BANK RETURN

Table showing bank returns for various banks and categories like LIABILITIES, ASSETS, and DIVIDENDS ANNOUNCED.

BASE LENDING RATES

Table showing base lending rates for various banks and currencies.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table showing FT-Actuaries Share Indices for various equity groups and sub-sections, including Highs and Lows Index.

FIXED INTEREST

Table showing fixed interest rates for various periods and types of securities.

LONDON RECENT ISSUES

Table listing recent issues in the London market, including company names and issue details.

FIXED INTEREST OFFERS

Table listing fixed interest offers, including interest rates and terms.

RIGHTS OFFERS

Table listing rights offers, including company names and offer details.

TRADITIONAL OPTIONS

Table listing traditional options, including company names and option details.

European Assets Trust

Information about the European Assets Trust, including its net asset value and contact details.

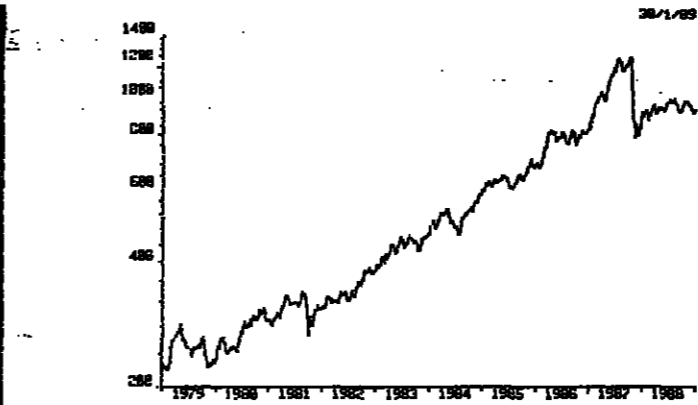
SWITZERLAND

The Financial Times proposes to publish this survey on: 25th April 1989. For a full editorial synopsis and advertisement details, please contact: Patricia Surridge on 01-248 8000 ext 3426.

FINANCIAL TIMES

SPONSORED SECURITIES

Table listing sponsored securities, including company names and security details.



FT-Actuaries All-Share Index. Source: Datastream

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INTERNATIONAL COMPANIES AND FINANCE

Getty heir in \$2.18bn offer for Emhart

By James Buchan in New York
EMHART, the US industrial and consumer products group best known for its Bostik adhesives and True Temper golf shafts, has received a \$2.18bn takeover offer from an investment partnership that includes Mr Gordon Getty, the chief heir to the Getty oil fortune.

Topper Acquisition, a partnership of Mr Getty and the Fisher real estate family of New York, announced on Thursday it would offer \$35 a share in cash for Emhart. Emhart said yesterday it would carefully study the offer, but Wall Street investors predicted a vigorous auction for the Connecticut company.

Emhart stock was yesterday trading far above the \$35-a-share offer from the investment partnership as Wall Street anticipated counter-offers by Emhart's management or other companies. In mid-afternoon trading, the shares were quoted at \$40, up \$7.4.

Mr Peter Scott, chairman of Emhart, said yesterday: "We are confident that Emhart is a strong company with a tremendous future." He urged stockholders not to tender shares to the investment partnership until management had studied the offer.

The Topper partnership said it wanted a friendly deal, which would maintain Mr Scott's management in place, but dispose of some businesses. But Topper also warned that it might seek shareholders' support in a proxy fight for control of the company.

Emhart's basic business is in such down-to-earth items as door locks and fastening systems, but it has also expanded into computer consulting and has a strong consumer operation. The company, which grew only modestly in the 1980s, enjoyed an exceptional year in 1988 with revenues of \$2.76bn and net income of \$126m.

Mr Getty, a son of Getty Oil's founder, J. Paul Getty, is known as a passionate musician. Amid disputes with other of J. Paul's heirs, Mr Getty precipitated the sale of the family company to Texaco in early 1984. The Fishers own a number of Manhattan office buildings.

Allegany International, the US struggling US conglomerate, has signed a definitive merger agreement under which a unit of Donaldson, Lufkin and Jenrette, the US brokerage, will acquire majority ownership of the company. The merger will allow Allegany to emerge from Chapter 11 of the US Bankruptcy Code.

Ashok Leyland gears up to expand model range

David Housego takes a look at an Indian bus and truck manufacturer's capital spending plans

With the announcement this week by Ashok Leyland, the Indian bus and truck manufacturer, that it is stepping up sharply its capital spending, the veil begins to lift on the strategy of the wealthy Hinduja trading group for establishing an industrial conglomerate in India.

Until it was recently taken over by the Hinduja family and Iveco, the Fiat truck subsidiary, Ashok Leyland was a slow-growing, cautiously managed engineering group, one of whose major assets was its skilled and disciplined workforce. It suffered from inadequate investment and from being in a market for medium and heavy vehicles that grew well below expectations.

form for Iveco, with the eventual aim of selling vehicles back to Europe. Mr Ashok Hinduja, who heads the family's operations in India, says the first priority is to bring Ashok Leyland's products up to international standard. The Hinduja, who up to now have no manufacturing experience in India, want to be known as producers of goods that are internationally competitive.



Ram Shanbhay, sees sales growing 15 per cent a year

Beyond that, the family's industrial ambitions are extensive. They see Ashok Leyland as the cornerstone of an investment in the transport sector that could extend into cars and two wheelers, and into hovercraft, ship and air services. In power generation, they have signed a memorandum of understanding with Bechtel, the US construction and engineering group, to build and operate power stations in India.

ably Alcatel, the French group - if the Government should decide to enlarge its role as a supplier of digital switching systems for main exchanges. Apart from their ample foreign exchange funds, the other advantage the Hinduja have, in a country where influence remains a major factor in winning contracts, is their access to the inner circle of Mr Rajiv Gandhi, the Prime Minister.

turnover rose by 32 per cent and pre-tax profits doubled to Rs205m - was mainly due to the strong rise in domestic demand for medium and heavy vehicles. Ashok Leyland's market share rose, however, by only 1 per cent. But the fruits of the new co-operation with the Hinduja and Iveco are already being felt. Increased investment will permit an accelerated introduction of the popular Hino engine to the group's vehicles.

At its April 13 annual general meeting, the Zurich Bank, Switzerland's biggest, is to propose unchanged dividends of Sfr120 per bearer share, Sfr24 per registered share and Sfr4.80 per participation certificate, and a sum of Sfr265m to be transferred to reserves.

UBS ahead despite increase in provisions

By John Wicks in Zurich

NET PROFITS at Union Bank of Switzerland rose by 3.4 per cent last year to a record Sfr778.3m (\$502.1m) despite a 7.4 per cent increase in depreciation and provisions to Sfr763.2m. At its April 13 annual general meeting, the Zurich Bank, Switzerland's biggest, is to propose unchanged dividends of Sfr120 per bearer share, Sfr24 per registered share and Sfr4.80 per participation certificate, and a sum of Sfr265m to be transferred to reserves.

Saab-Scania profits hit by strike

By Robert Taylor in Stockholm

SAAB-SCANIA, the Swedish automotive and aerospace group, suffered an 11 per cent drop in pre-tax profits last year from SKr3.6bn (\$326m) to SKr3.2bn. However, the board proposes to raise the annual dividend to SKr7.75 a share from SKr6.75 in 1987.

development costs on the JAS 39 Gripen aircraft and the lower value of the dollar that affected car sales in the US. "Our earnings must be seen in relation to the fact that we are in an expansive phase both in cars and aircraft," said Mr Karsnund. "The group has no net debt and its income after taxes paid increased by 8 per cent."

pany intended to extend its production capacity by 50 per cent for trucks over the next few years through a SKr1bn investment programme. In a study of the company published last week Svenska Handelsbanken believed Scania was "capable of improving its profits considerably by means of large volume increases in 1989, in a market where there are very good prospects of obtaining high margins."

Sears tears up price list in US overhaul

By Roderick Oram in New York

SEARS, ROEBUCK will on Wednesday initiate the largest shift in strategy seen in US retailing by permanently cutting prices on some 50,000 items in more than 800 stores across the country. The world's biggest retailer had pledged the move to "everyday low prices" as the keystone of a major overhaul of corporate structure announced last autumn.

Saga Petroleum proposes to pay first dividend

By Karen Fossil in Oslo

SAGA PETROLEUM, Norway's largest independent oil company, is proposing to pay its first dividend - of Nkr3 a share - despite a two-thirds fall in profits. The dividend to Nkr152m (\$22.7m) in 1988 from Nkr455m in 1987.

Saga Petroleum proposes to pay first dividend

managing director, forecast a reduction in financial gains in the coming years, partly due to a decline on forward dollar contracts. The dividend to Nkr152m (\$22.7m) in 1988 from Nkr455m in 1987. The plunge in profits, which were struck before extraordinary items, reflected considerably lower oil prices and a sharp fall in exchange gains from forward sales of the US dollar to Nkr91m from Nkr294m.

Poulenc to buy Monsanto aspirin plants

By George Graham in Paris

RHONE-POULENC, the French state-owned chemicals group, plans to acquire the bulk aspirin and paracetamol manufacturing plants of Monsanto, US drug giant, in the world leader in these painkilling products.

Sales for the plants acquired are estimated at FF7500m (\$80.4m) a year, doubling Rhone-Poulenc's size in the bulk aspirin and paracetamol markets. Bayer, the West German pharmaceuticals company, is world leader for aspirin in pill form. Rhone-Poulenc also has activities in the aspirin pill market, recently boosted by the purchase of Botu, a leading French manufacturer with the Doli-prane paracetamol brand, from the foods group BSN.

The acquisition forms an immediate riposte to widespread criticism of Rhone-Poulenc for spending an estimated FF600m on increasing its stake in the Societe Generale bank, as well as FF66m on a stake in Marceau Investissements, the investment fund of financier Mr Georges Pebereau. Critics of Mr Jean-Rene Fourtout, Rhone-Poulenc's chairman, have suggested that he is busily waging a political campaign to retain his seat at the head of the nationalised concern, which comes up for renewal by the Government this summer.

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SAGA PETROLEUM, Norway's largest independent oil company, is proposing to pay its first dividend - of Nkr3 a share - despite a two-thirds fall in profits. The dividend to Nkr152m (\$22.7m) in 1988 from Nkr455m in 1987.

WORLD COMMODITIES PRICES

Table with columns: Commodity, Latest prices, Change on week ago, Year ago, High 1988/89, Low 1988/89. Includes Gold per troy oz, Silver per troy oz, Aluminum, Copper, Lead, Nickel, Zinc, Tin, Cocoa, Coffee, Sugar, Wheat, Cotton, Rubber, Oil, etc.

SPOT MARKETS

Table with columns: Commodity, Price, Change. Includes Dubs, Brent Blend, W.T.I., Oil products, Premium Gasoline, Heavy Fuel Oil, Naphtha, Petroleum Argus Estimates, Gold, Silver, Platinum, Aluminum, Copper, Lead, Nickel, Tin, Wheat, Soybeans, Cotton, Wool, etc.

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SCOTTISH FINANCIAL AND PROFESSIONAL SERVICES. The Financial Times proposes to publish this survey on Friday, March 17th 1989. For a full editorial synopsis and advertisement details, please contact: KENNETH SWAN on 031-220-1199 or write to him at: 37, George Street, Edinburgh, EH2 2HN. FAX: 031-220-1578.

FINANCIAL TIMES. LONDON'S BUSINESS NETWORK. Includes a table of exchange rates for various currencies and commodities.

INTL. COMPANIES

Forestry and paper business helps 55% rise at NHB Peko

By Chris Sherwell in Sydney

NORTH BROKEN HILL Peko, the Australian mining and forest products group, yesterday reported a 55% rise in profits for the six months to December 31, 1988...

Commonwealth Bank of Australia acquires ASB

By Our Financial Staff

COMMONWEALTH BANK of Australia, one of Australia's big four banks, is to pay NZ\$252m (US\$158m) for 75 per cent of New Zealand's ASB Bank, which is wholly owned by the charity ASB Community Trust...

Strong ferro-chrome demand boosts Samancor

By Jim Jones in Johannesburg

SAMANCOR, South Africa's largest producer of ferro-alloys, lifted sales in the six months to December, as particularly strong international demand for ferro-chrome pushed sales volumes and prices sharply higher...

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES Pressure on pound and dollar

FEARS ABOUT rising inflation prompted a half point rise in the US discount rate yesterday... The dollar closed at DM3.2800 from DM3.2825...

STERLING INDEX

Table with columns: Feb 24, Last, Change. Rows include US Dollar, Japanese Yen, Swiss Franc, etc.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns: Feb 24, 1 Month, 3 Months, 6 Months, 12 Months. Rows include US Dollar, Japanese Yen, etc.

CURRENCY MOVEMENTS

Table with columns: Feb 24, Bank of England, Change. Rows include Sterling, US Dollar, etc.

OTHER CURRENCIES

Table with columns: Feb 24, £, S, DM, Yen, F Fr, S Fr, H Fl, Lira, C S, S Fr. Rows include Argentina, Australia, etc.

FORWARD RATES AGAINST STERLING

Table with columns: Spot, 1 month, 3 months, 6 months, 12 months. Rows include US Dollar, Japanese Yen, etc.

UK INTEREST rates

UK INTEREST rates relinquished early gains yesterday as British Hilti changed the day. Longer term rates were marked up...

FT LONDON INTERBANK FIXING

Table with columns: 1 month, 3 months, 6 months, 12 months. Rows include 3 months US dollars, 6 months US dollars.

MONEY MARKETS

Table with columns: Feb 24, Overnight, 7 days, 1 month, 3 months, 6 months, 12 months. Rows include Lanchtime, Prime rate, etc.

LONDON MONEY RATES

Table with columns: Feb 24, Overnight, 7 days, 1 month, 3 months, 6 months, 12 months. Rows include Interbank Offer, Interbank Bid, etc.

LIFFE US TREASURY BOND FUTURES OPENING

Table with columns: Price, Call, Put, Settlement. Rows include 15 year, 30 year.

LIFFE EURO DOLLAR FUTURES OPENING

Table with columns: Price, Call, Put, Settlement. Rows include 3 month, 6 month.

LIFFE FT-SE INDEX FUTURES OPENING

Table with columns: Price, Call, Put, Settlement. Rows include 1000, 2000, 3000.

LIFFE SHORT STERLING

Table with columns: Price, Call, Put, Settlement. Rows include 1 month, 3 month, 6 month.

LIFFE US TREASURY BOND FUTURES OPENING

Table with columns: Price, Call, Put, Settlement. Rows include 15 year, 30 year.

LIFFE EURO DOLLAR FUTURES OPENING

Table with columns: Price, Call, Put, Settlement. Rows include 3 month, 6 month.

LIFFE FT-SE INDEX FUTURES OPENING

Table with columns: Price, Call, Put, Settlement. Rows include 1000, 2000, 3000.

LIFFE SHORT STERLING

Table with columns: Price, Call, Put, Settlement. Rows include 1 month, 3 month, 6 month.

LONDON TRADED OPTIONS

Table with columns: Calls, Puts. Rows include Land Securities, FT-SE 100 Index.

FT GUIDE TO WORLD CURRENCIES

Table with columns: Currency, Rate, Change. Rows include US Dollar, Japanese Yen, etc.

LEGAL NOTICES

No. 133 of 1988 IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

No. 02295 of 1989 IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 9th February 1989...

NOTICE IS FURTHER GIVEN that the said Order is directed to be held in force by the Registrar of Companies...

NOTICE IS HEREBY GIVEN that a Public Hearing will be held on 11th January 1989...

AND NOTICE IS FURTHER GIVEN that the said Public Hearing is directed to be held in force by the Registrar of Companies...

LEARN TO SPEAK FRENCH BY TOTAL NATURAL INSTRUCTION

Advertisement for GILIN FRANCE featuring a picture of a woman and text about learning French.

WORLD STOCK MARKETS

NEW YORK (Closing)

Table of New York stock market closing prices for February 23, 1989. Columns include stock names, prices, and changes. Includes sub-sections for Dow Jones and Standard & Poor's 500.

INDICES

Table of various stock indices including Dow Jones, S&P 500, and regional indices for Australia, Canada, and Europe.

NEW YORK ACTIVE STOCKS

Table of active stocks in New York, listing stock names, prices, and volume.

CANADA (Closing)

Table of Canadian stock market closing prices for February 23, 1989.

SWITZERLAND

Table of Swiss stock market closing prices for February 23, 1989.

NEW YORK

Table of New York market data including Dow Jones, S&P 500, and trading activity.

CANADA

Table of Canadian market data including the Toronto Stock Exchange index.

NEW YORK ACTIVE STOCKS

Table of active stocks in New York, listing stock names, prices, and volume.

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Table of Canadian market data including the Toronto Stock Exchange index.

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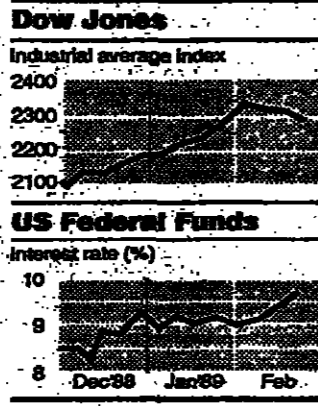
WORLD STOCK MARKETS

AMERICA

Dow plunges on Fed Reserve move

Wall Street

HAMMERED by higher interest rates, Wall Street stocks fell sharply yesterday...



The Dow has lost this week, fully one-third of the gains it had made since the beginning of the year...

EUROPE

Interest rate fears prove pervasive

NEWS of the US discount rate increase unsettled Paris and Amsterdam but came too late for most of Europe...

solid gains earlier on a stronger dollar. The CBS tendency index was up 0.3 at 163.8 after reaching 164.3...

PHILIPS fell on a further 10 cent gain on Thursday following its highest 1988 profit...

FRANKFURT recovered some ground after two days of steep losses but volume sank back to a thin DM2.56bn...

Standing aloof from government becomes all the rage in Madrid

The market has so far survived weighty blows, writes Peter Bruce

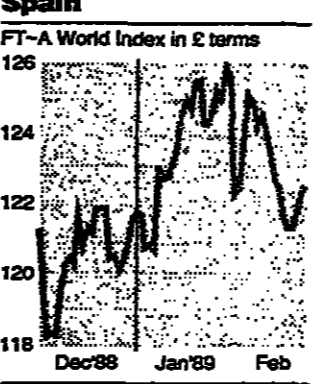
MADRID will not have been the first stock market to prove that bad economic news often does not matter...

Spain was released but rose the following session on the belief that the panic was overdone...

new money raised in the market in the whole of last year, and take a lot of absorbing...

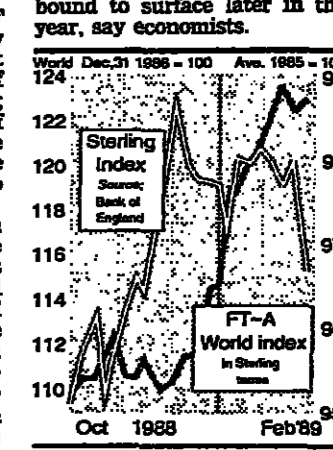
forward January's 15 per cent tariff cuts last October to cheaper imported foods...

Spain



Spain was released but rose the following session on the belief that the panic was overdone...

rumoured bid for CAF by Siemens a few weeks ago did not materialise but the logic of such a move remains strong...



ASIA PACIFIC

Trading fluctuates in absence of Tokyo

INTEREST rate worries dogged the Asia-Pacific markets yesterday leading to erratic trading...

HONG KONG managed to recoup much of the day's losses, after a volatile session that was characterised by concern over possible interest rate increases...

after its strong results on Thursday. Lease and Brambles both eased 10 cents to A\$10 and A\$10.90 respectively after their interim...

Wall Street's overnight rise. Profit-taking alternated with bearish hunting, but the prevailing sentiment was one of caution...

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Reply Form with fields for Name, Address, Country, and subscription preferences.

FT-ACTUARIES WORLD INDICES

Table with columns for National and Regional Markets, Thursday February 23 1989, Wednesday February 22 1989, and Dollar Index. Rows include Australia, Austria, Belgium, Denmark, Finland, France, West Germany, Hong Kong, Ireland, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, and USA.

LONDON STOCK EXCHANGE Dealings

Details of business done shown below have been taken with consent from the Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Services. Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Tailor-made system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings. For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant dates. Rule 535(2) and Third Market stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd. Bargains at special prices. \* Bargains done the previous day.

Corporation and Country Stocks

London County 2 1/2% Cons Stk 1920/0r 80/11 - 224 (22/88) Greater London Council 8 1/4% Div Trk 30/90/0r 126/0 - 126/0 Aberdeen City 10 1/2% Bond Stk 2011 - 110 1/2 (17/88) Birmingham Corp 3 1/2% 1947 (or after) - 220 (20/88) Glasgow Corp 3 1/2% Ind Stk - 225 (20/88) Bristol City 11 1/4% Bond Stk 2017 - 212 1/2 (17/88) Haringey Corp 11 1/4% Bond Stk 2017 - 212 1/2 (17/88) Kingston & Chelsea 10 1/4% Bond Stk 2017 - 212 1/2 (17/88) Kirkcaldy Municipal 11 1/4% Bond Stk 2017 - 212 1/2 (17/88) Swansea City 11 1/4% Bond Stk 2008 - 212 1/2 (17/88)

UK Public Bonds

10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 8 1/4% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 8 1/4% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 8 1/4% Deb Stk 92/04 - 92 1/4 (22/88)

Commonwealth-Government

Jersey Electricity Co Ltd 6 1/2% Deb Stk 2000 - 80 1/2 (22/88) 8 1/4% Deb Stk 2000 - 80 1/2 (22/88) Jersey Electricity Co Ltd 6 1/2% Deb Stk 2000 - 80 1/2 (22/88) 8 1/4% Deb Stk 2000 - 80 1/2 (22/88)

Foreign Stocks, Bonds, etc (coupons payable in London)

Gracia (London) 10 1/2% Bond Stk 2011 - 110 1/2 (17/88) Gracia (London) 10 1/2% Bond Stk 2011 - 110 1/2 (17/88) Gracia (London) 10 1/2% Bond Stk 2011 - 110 1/2 (17/88) Gracia (London) 10 1/2% Bond Stk 2011 - 110 1/2 (17/88)

Bibby & Sons PLC 4 1/2% Cum Prt E1 - 252 (21/88) Biffaward PLC 7 1/2% Cum Prt E1 - 252 (21/88) Biffaward PLC 7 1/2% Cum Prt E1 - 252 (21/88) Biffaward PLC 7 1/2% Cum Prt E1 - 252 (21/88)

Banks and Discount Companies

12 1/2% Subord Uns Lk Stk 2004 - 111 1/4 (22/88) 12 1/2% Subord Uns Lk Stk 2004 - 111 1/4 (22/88) 12 1/2% Subord Uns Lk Stk 2004 - 111 1/4 (22/88) 12 1/2% Subord Uns Lk Stk 2004 - 111 1/4 (22/88)

Thomson T-Line PLC 2 1/2% New Cum Prt E1 - 252 (21/88) Thomson T-Line PLC 2 1/2% New Cum Prt E1 - 252 (21/88) Thomson T-Line PLC 2 1/2% New Cum Prt E1 - 252 (21/88) Thomson T-Line PLC 2 1/2% New Cum Prt E1 - 252 (21/88)

Financial, Land, and etc

10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88)

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The Third Market Appendix

No. of bargains included 123 Associated Farmers PLC 2008 - 78 (21/88) Associated Farmers PLC 2008 - 78 (21/88) Associated Farmers PLC 2008 - 78 (21/88) Associated Farmers PLC 2008 - 78 (21/88)

Plantations

Anglo-Eastern Plantations PLC 2008 - 78 (21/88) Anglo-Eastern Plantations PLC 2008 - 78 (21/88) Anglo-Eastern Plantations PLC 2008 - 78 (21/88) Anglo-Eastern Plantations PLC 2008 - 78 (21/88)

Shipping

10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88)

Water Works

10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88)

Trusts

10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88)

USM Appendix

10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88)

Mines - South Africa

10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88)

Oil No. of bargains included 1407

10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88)

Property No. of bargains included 720

10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88) 10 1/2% Deb Stk 92/04 - 92 1/4 (22/88)

NORTH EAST LANCASHIRE The Financial Times proposes to publish this survey on: Friday 31st March, 1989 For a full editorial synopsis and advertisement details, please contact: PHILIP DODSON on 061 834 9381 (telex 666813) or write to him at: Financial Times, Alexandra Buildings, Queen Street, Manchester M2 5HT. FINANCIAL TIMES SURVEY'S BUSINESS NEWS

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LONDON STOCK EXCHANGE

Equity recovery fades in late trading

THE INCREASE in US Federal discount rate, although widely foreseen in London, halted a technical recovery in the UK equity market yesterday. Early gains in the blue chip equities were largely eliminated towards the close as Wall Street made a poor start in the new session.

Account Opening Dates table with columns for Year, Month, Day, and Account Opening Dates.

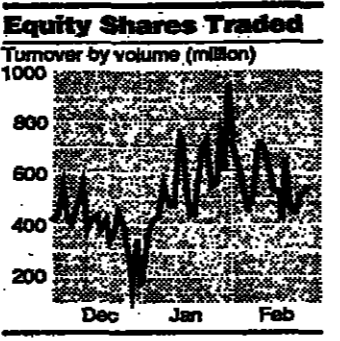
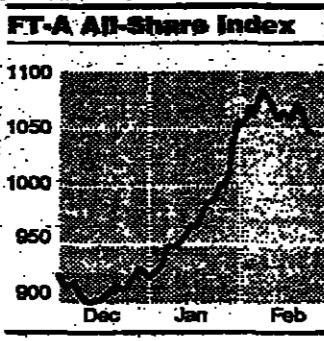
With sterling also better for most of the morning, and the FT-SE futures contract at a good premium, the equity market extended its gain to around 15 points on the FT-SE scale.

By the close, the FT-SE Index was only 2.9 higher at 2019.5. The tone of the market was subdued at the end, with traders cautious about next week's prospects.

reappeared in the US and in Europe, and Mr Lawson, the UK Chancellor of the Exchequer, has ruled out early cuts in UK base rates.

New deal looms at FKI

FKI Babcock surged in frantic trading in response to an announcement from the board that it would be involved in discussions which may lead to a cash offer for a major part of the group.



shares plummeting to 77p before closing a net 25 off at 84p after the dividend omission and profits setback.

Tate & Lyle were a poor market, slipping 7 to 327p. Dealers said that the shares were undervalued by press reports of a disease which has affected US corn yields.

Eastern promise

The possibility that Toyota, the Japanese car manufacturer, might soon set up its first assembly plant in Britain or elsewhere in the EC, continues to stimulate interest in Incheape, which holds the Toyota franchise in the UK and in three other Continental countries.

from retail sources was negligible. The action in the energy sector was concentrated into the morning period when Hoare Govett, the stockbroker, moved into the market and carried out a number of switches on behalf of several large UK institutions, involving British Gas and Shell.

Three separate trades of 5m British Gas, at 185p, 185 1/2p and 185p, and a single trade of 6.5m Gas at 185p went through the market in a short period of time.

Profit takers pulled Rolls-Royce down 2 as the shares settled at their psychologically important issue price of 170p.

McKechnie suffered as Mr Mark Wright, a Hoare Govett analyst, downgraded his profits forecast from 22 1/2m to 23m for the year to July 1989.

Same treatment

Lloyds Bank became the third of the big-four clearing banks to come out with preliminary profits within the market's range of forecasts and a better-than-expected final dividend.

Most researchers of the Overseas Traders sector, although bullish about long-term prospects for Incheape, have more recently recommended top-slicing the sizeable profits made since the turn of the year.

Profit takers pulled Rolls-Royce down 2 as the shares settled at their psychologically important issue price of 170p.

McKechnie suffered as Mr Mark Wright, a Hoare Govett analyst, downgraded his profits forecast from 22 1/2m to 23m for the year to July 1989.

FINANCIAL TIMES STOCK INDICES

Table with columns for Stock Index, Feb 24, Feb 23, Feb 22, Feb 21, Feb 20, Feb 19, Year, 1988/89, and Since Completion.

TRADING VOLUME IN MAJOR STOCKS

Table with columns for Stock, Value, Price, and % Change.

profits recovery. Following a press recommendation, a steady trickle of small buyers pushed the price higher to 45p before a close of 6 higher on the day at 41p.

LEADERS AND LAGGARDS

Table with columns for Sector, Percentage change since December 30 1988 based on Thursday February 23 1989.

BENCHMARK GOVERNMENT BONDS

Table with columns for Coupon, Red Date, Price, Change, Yield, Week ago, Month ago.

IN THE MARKETS

Coffee pulled in two directions

COFFEE HAS been far from the most lively market on the London exchange this week but it has been one of the more interesting.

meanwhile, and Zaire is still slipping coffee sold for December January delivery.

for what lies ahead," one delegate commented last night. The ICO Council meets for a fortnight from April 3.

day, when talk of a substantial rise in the price of tin, which pushed tin prices down yesterday saw the buyers return in force, however, and cash metal registered a 397 rise.

day, when talk of a substantial rise in the price of tin, which pushed tin prices down yesterday saw the buyers return in force, however, and cash metal registered a 397 rise.

APPOINTMENTS

Mr Ken Holloway becomes general manager of Bank of Ireland Commercial Finance. Both companies are based at Slough.

COMMODITIES

IN THE MARKETS

Coffee pulled in two directions

COMMODITIES

IN THE MARKETS

Coffee pulled in two directions

COMMODITIES

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Coffee pulled in two directions

COMMODITIES

IN THE MARKETS

Coffee pulled in two directions

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Main table containing unit trust information with columns for Unit Name, Unit Price, and other details. Includes sub-sections like 'Buckingham Management Co Ltd' and 'Lazard Unit Trusts Ltd'.

GUIDE TO UNIT TRUST PRICING. METAL CHANGES. This table explains the pricing of unit trusts, including how to calculate the price of a unit and the effect of metal changes.

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FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2123

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-225-2128

Main table containing unit trust information with columns for Fund Name, Bid Price, Offer Price, Yield, and other financial metrics. Includes sub-sections for 'MANAGEMENT SERVICES' and 'OFFSHORE AND OVERSEAS'.

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FT UNIT TRUST INFORMATION SERVICE

Table containing FT Unit Trust Information Service data, including columns for fund names, managers, and performance metrics. Sub-sections include 'ISLE OF MAN', 'OTHER OFFSHORE FUNDS', 'LUXEMBOURG', and 'OFFSHORE INSURANCES'.

LONDON SHARE SERVICE

Table containing London Share Service data, including columns for fund names, managers, and performance metrics. Sub-sections include 'BRITISH FUNDS', 'BRITISH FUNDS - Contd', 'AMERICANS', 'INT. BANK AND O'SEAS', 'CORPORATION LOANS', 'COMMONWEALTH & AFRICAN LOANS', 'FOREIGN BONDS & RAILS', and 'Money Market Trust Funds'.

LONDON SHARE SERVICE

CANADIANS

Table of Canadian share prices including companies like Alcan, Inco, and various resource firms.

BUILDING, TIMBER, ROADS - Contd

Table of share prices for building, timber, and roads sectors.

ELECTRICALS

Table of share prices for electrical companies.

ENGINEERING - Contd

Table of share prices for engineering firms.

INDUSTRIALS (Misc.) - Contd

Table of share prices for various industrial companies.

INDUSTRIALS (Misc.) - Contd

Table of share prices for various industrial companies.

BANKS, HP & LEASING

Table of share prices for banks, hire purchase, and leasing companies.

CHEMICALS, PLASTICS

Table of share prices for chemical and plastic companies.

FOOD, GROCERIES, ETC

Table of share prices for food, grocery, and other consumer goods companies.

HOTELS AND CATERERS

Table of share prices for hotels and catering companies.

INDUSTRIALS (Misc.) - Contd

Table of share prices for various industrial companies.

INDUSTRIALS (Misc.) - Contd

Table of share prices for various industrial companies.

Hire Purchase, Leasing, etc.

Table of share prices for hire purchase and leasing companies.

DRAPERY AND STORES

Table of share prices for drapery and retail stores.

ENGINEERING

Table of share prices for engineering firms.

INDUSTRIALS (Misc.)

Table of share prices for various industrial companies.

INDUSTRIALS (Misc.)

Table of share prices for various industrial companies.

INSURANCES

Table of share prices for insurance companies.

BUILDING, TIMBER, ROADS

Table of share prices for building, timber, and roads sectors.

BUILDING, TIMBER, ROADS

Table of share prices for building, timber, and roads sectors.

ENGINEERING

Table of share prices for engineering firms.

INDUSTRIALS (Misc.)

Table of share prices for various industrial companies.

INDUSTRIALS (Misc.)

Table of share prices for various industrial companies.

LEISURE

Table of share prices for leisure and entertainment companies.

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Vol 1, no 12

LONDON SHARE SERVICE

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LEISURE - Contd

Table of share prices for Leisure companies including Leisure Group, Leisure Leisure, Leisure Leisure, etc.

PROPERTY

Table of share prices for Property companies including Property Property, Property Property, etc.

TEXTILES - Contd

Table of share prices for Textiles companies including Textiles Textiles, Textiles Textiles, etc.

TRUSTS, FINANCE, LAND - Contd

Table of share prices for Trusts, Finance, and Land companies including Trusts Trusts, Finance Finance, etc.

OIL AND GAS - Contd

Table of share prices for Oil and Gas companies including Oil Oil, Gas Gas, etc.

MINES - Contd

Table of share prices for Mines companies including Mines Mines, Mines Mines, etc.

MOTORS, AIRCRAFT TRADES

Table of share prices for Motors and Aircraft Trades companies including Motors Motors, Aircraft Aircraft, etc.

TOBACCO

Table of share prices for Tobacco companies including Tobacco Tobacco, Tobacco Tobacco, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, and Land companies including Trusts Trusts, Finance Finance, etc.

OVERSEAS TRADERS

Table of share prices for Overseas Traders companies including Overseas Overseas, Overseas Overseas, etc.

PLANTATIONS

Table of share prices for Plantations companies including Plantations Plantations, Plantations Plantations, etc.

THIRD MARKET

Table of share prices for Third Market companies including Third Market Third Market, Third Market Third Market, etc.

Commercial Vehicles

Table of share prices for Commercial Vehicles companies including Commercial Vehicles Commercial Vehicles, Commercial Vehicles Commercial Vehicles, etc.

Finance, Land, etc.

Table of share prices for Finance, Land, etc. companies including Finance Finance, Land Land, etc.

MINES

Table of share prices for Mines companies including Mines Mines, Mines Mines, etc.

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NEWSPAPERS, PUBLISHERS

Table of share prices for Newspapers and Publishers companies including Newspapers Newspapers, Publishers Publishers, etc.

SHIPPING

Table of share prices for Shipping companies including Shipping Shipping, Shipping Shipping, etc.

SHOES AND LEATHER

Table of share prices for Shoes and Leather companies including Shoes Shoes, Leather Leather, etc.

SOUTH AFRICANS

Table of share prices for South Africans companies including South Africans South Africans, South Africans South Africans, etc.

TEXTILES

Table of share prices for Textiles companies including Textiles Textiles, Textiles Textiles, etc.

TEXTILES

Table of share prices for Textiles companies including Textiles Textiles, Textiles Textiles, etc.

PAPER, PRINTING, ADVERTISING

Table of share prices for Paper, Printing, and Advertising companies including Paper Paper, Printing Printing, Advertising Advertising, etc.

SHIPPING

Table of share prices for Shipping companies including Shipping Shipping, Shipping Shipping, etc.

SHOES AND LEATHER

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Stock Exchange dealing classifications are indicated to the right of security names. Alpha, Beta, Gamma. Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Dividends are in pence and are based on latest annual reports and accounts and, where available, on latest interim reports and accounts. Dividends are based on latest annual reports and accounts and, where available, on latest interim reports and accounts. Dividends are based on latest annual reports and accounts and, where available, on latest interim reports and accounts.

Highs and lows marked thus have been adjusted to allow for rights issues for each interim since increased or reduced. Indicated interim since increased or reduced. Indicated interim since increased or reduced. Indicated interim since increased or reduced.

US\$ not listed on Stock Exchange and company not subject to same degree of regulation as listed securities. Not officially listed.

Price at time of suspension. Indicated dividend and yield based on previous dividend and forecast. Dividend and yield based on previous dividend and forecast. Dividend and yield based on previous dividend and forecast.

Same interim; reduced final and/or reduced earnings indicated. Forecast dividend; cover on earnings updated by latest interim statement. Cover allows for conversion of shares not yet ranking for dividends or ranking only for restricted dividends. Cover does not allow for shares not yet ranked for dividend at a future date. No P/E usually provided.

A.F. Belgian Franc; Fr. French Franc; Y. Yield based on assumption Treasury Bill base rates unchanged and maturity of 3 months. Annualized dividend; Fr. French Franc; Y. Yield based on assumption Treasury Bill base rates unchanged and maturity of 3 months.

Regional & Irish Stocks. The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

IRISH. Anglo Irish Bank, Bank of Ireland, etc.

TRADITIONAL OPTIONS. 3-month call rates.

Industrials: Allied Lyons, B&W, etc.

Property: British Land, etc.

Oil: Shell, etc.

Mines: Anglo American, etc.

CamGold, etc.

RTZ, etc.

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £265 per annum for each security.





MARKETS

LONDON

High, low, quick, quick slow for the Footsie

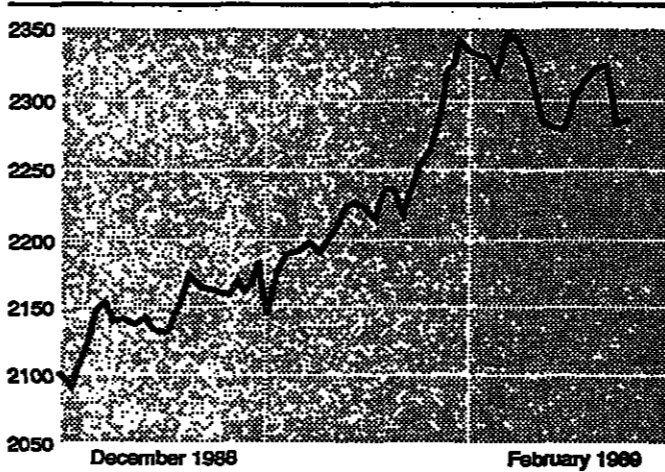
THE LONDON market could have been dancing to a Strauss waltz this year. First, the long sweeping steps, then a patch of plianissimo shuffling. This week was one of its less ebullient phases, with the FT 100-Share Index showing a modest 1 per cent drop on the week's starting level by Friday afternoon - albeit via some fairly sizable daily swings.

HIGHLIGHTS OF THE WEEK table with columns: Price %/day, Change on week, 1987/88 High, 1988/89 Low. Rows include FT 100, BTR, Bass, Bullers, Church (Charles), Cons. Gold Fields, English China Clays, General Accident, Greenall Whitley, Hocking Pentecost, Local London, Lowe Howard-Spink, Plocadilly Radio NV, Rascal Telecom, Sainsbury (J).

WALL STREET

Greenspan: hero turned villain

Dow Jones Industrial Averages



greatest damage was done by Greenspan when he appeared before Congress this week to deliver his semi-annual economic report. He said nothing about inflation which he had not said before, but unfortunately the markets were waiting for stronger words and actions to dispel any doubts about the Fed's independence.

FINANCE & THE FAMILY: THIS WEEK

Low-start mortgages: as safe as houses?

Many home-owners - particularly those who bought at the peak of the market - are feeling the pinch of the recent increases in interest rates. Low-start mortgages can ease the burden in those difficult early years but, as David Barchard warns, there may be penalties later.

Budget '89: what's on the cards

Richard Waters reports on the use of trusts to shift the tax burden between man and wife and warns that the Chancellor could change the rules; Heather Farmbrough asks if Nigel Lawson could end some of the benefits presently enjoyed by close companies in the Business Expansion Scheme; and Donald Ekin considers proposals to change residence guidelines for expatriates.

Improving, but can do better

The original MIM Britannia unit trust group was formed in the early 1930s, but the company has undergone a series of far-reaching changes since then. Now, reports Christine Stopp, it is looking further to improve its management and investment track record.

Survey: personal pensions

A three-page special report on the personal pensions market - how to opt out of SERPS, how personal pensions work, where to turn to for advice, and more. Pages VII-IX.

Minding your own business

Roy Hodson looks at a solicitors' partnership which specialises in small business matters, an entrepreneur who found success in Gothic design principles and a new book on starting your own company.

INVESTMENT: Diary of a private investor Page VI

BRIEFCASE: Assets won't be seized Page VI

UK GDP (Output) bar chart and Unit Trusts line chart showing sales and repurchases from 1987 to 1989.

Slowdown in UK economic growth

Economic growth in Britain slowed considerably in the final three months of 1988, according to preliminary estimates released earlier this week. After allowing for the effects of inflation, real output in Britain rose by 0.7 per cent in the December quarter, compared with the previous three months period.

Unit trusts sales rally

Sales of unit trusts rallied strongly in January, according to figures issued this week by the Unit Trust Association. The jump in sales to £345.9m, compared with £409.8m in December and £300m in January 1988, took the total value of funds under management in unit trusts to £46.9bn - the highest figure since September 1987.

Fall in building societies' receipts

Building societies' net receipts were down by 12 per cent over January 1989, compared with the same month in 1988. January's figure (£794m) was also down on December's (£919m). The decline partly reflected the delay in response by some societies to the rise in bank base rates at the end of December.

Ethical fund in the clear

Credit Suisse Buckmaster & Moore's ethical fund, the Fellowship Trust, is once again in the clear. According to a recent survey by EIRIS (The Ethical Investment Research Service) called "Choosing an ethical fund", a small proportion of the fund was invested in companies with South African subsidiaries.

FOR THE private investor, there has always been something special about ICI.

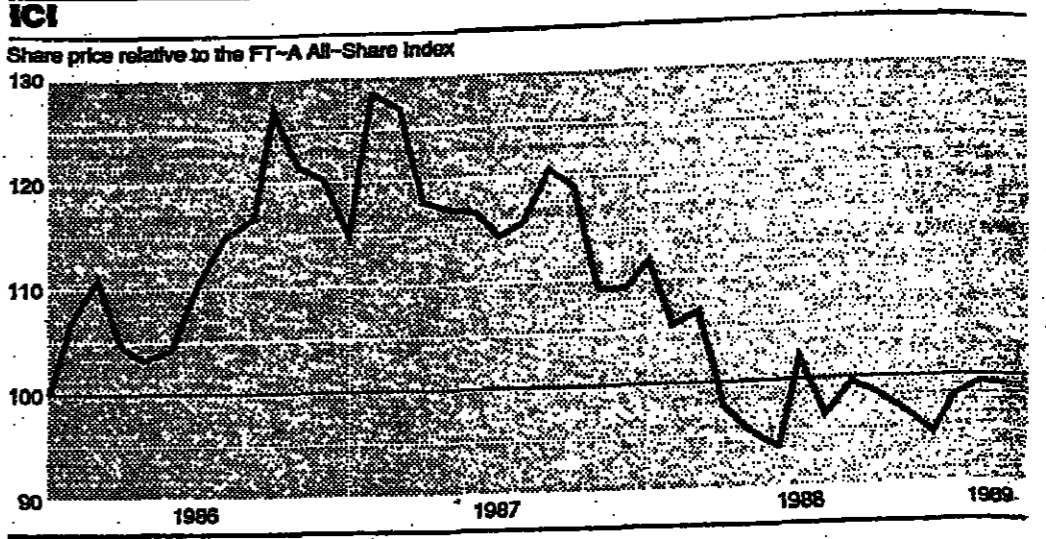
Over the years other giants of British industry have dwindled, collapsed or been taken over, but ICI is still up there, toe to toe with foreign competition, among the biggest and most profitable chemical companies in the world. This week, it produced another set of record profits - up 12 per cent, to nearly £1.5bn before tax - and in a striking gesture of confidence, pushed up its dividend by 22 per cent.

Once a cyclical, always a cyclical

shunned all thoughts of investing in new capacity. So as demand grew again through the mid-80s, it began to run into a shortage of supply. This in turn meant soaring prices and a return to huge profits for the suppliers, in the

There is a risk that even if demand holds up, profits will be hit again by industry overcapacity.

classic cyclical pattern. Over the past year or two, the next inevitable stage has come round again - building new factories. By next year, they will be coming on stream. There is a real risk that even if demand holds up, profits will be hit yet again by industry overcapacity.



England intervention, did the trick for the pound, which duly strengthened against the dollar, but it could only push the equity market another 17 points lower.

Only on Friday did sentiment pick up as sterling continued to rally. Building society lending figures, too, offered further comfort for those hopeful of a "soft" economic landing; the January figure for loans to new homebuyers was barely changed from the depressed December figure.

This ambivalent pattern, many analysts suspect, may be the order of the day for a while yet. On the plus side, the institutional demand for stock appears to offer considerable underpinning.

Typical of Greenspan's credibility problem was the way in which the markets reacted yesterday to the increase in the discount rate. Many saw it as at best a symbolic act, since next to no banks are currently borrowing from the discount window.

JUNIOR MARKETS

Technology in the limelight

HOPE springs eternal - which is why high technology stocks thrive on optimism rather than the frequently sparse supply of hard news. Accordingly, with no fewer than three announcements, the past fortnight has proved very eventful for the Third Market's mini-sector of science-related stocks.

Wall Street's "love 'em or loathe 'em" emotional style resulted in a typically harsh verdict. "Greenspan's hands-earned reputation for courage and sagacity has been eroded," said Michael Metz, chief market strategist at Oppenheimer. "He's got a credibility problem from here on. He has shown himself to be the handmaiden, if you'll pardon the expression, of the Administration."

With the markets bracing themselves for higher interest rates to cool the economy, stocks will bump along in trading range for months to come, Metz added. The top end was the 2,347 points at which the Dow Jones Industrial Average closed on February 17. The bottom end is hard to determine at the moment.

Once the economy, inflation and interest rates begin to ease, stocks should revive. In the meantime, however, players can occupy themselves with another imminent surge in takeover activity, Metz suggests.

Roderick Oram

People in a cyclical downturn of their own - so severe that they could all be on the street tomorrow - are not the calmest judges of cycles elsewhere.

In fact, the conundrum posed by ICI's share price is far from unique. The same high yield and below-average price/earnings ratio can be found in heavy industrial stocks (the world over, from British Steel to Ford and General Motors in the US). In every case it is the same: managers are profoundly convinced that next time it will be different, and investors would prefer to wait and see.

Up to now, the Third Market



FINANCE & THE FAMILY

David Barchard looks at a type of housing loan where the attraction can wane after the initial period Start low... but beware of the costs later

LOW-START mortgages look attractive. For first-time buyers, or for those who buy their homes when prices were low and are now trying to live with high interest rates, the idea of deferring part of the monthly payments often looks a godsend. All the main mortgage lenders, including building societies, have begun to offer low-start products in the past few months in the hope of creating extra business in a depressed market. The variety available seems bewildering at first sight.

spaces is not enormous. On the flexible-term mortgage, for instance, monthly payments on a £40,000 loan would drop by about £14 to £371. On the lower repayment mortgage, the equivalent reduction is for £20. Savings of this sort are not going to bail many home-owners out of their financial problems.

Nonetheless, many people are turning to low-start mortgages with just this in mind. "We are seeing a lot of people, particularly employees of large companies, who are being hit by the building societies' bid to raise their rates in their annual reviews. They are looking for alternative ways of keeping costs down," says Andrew Holloway, mortgage director at Berry, Birch and Nott.

Are low-start mortgages the answer? The centralised lenders, who were the first providers in the mid-1980s, view them as a way in which home buyers can dodge the impact of higher rates. The centralised lenders, who were the first providers in the mid-1980s, view them as a way in which home buyers can dodge the impact of higher rates.

the normal rate - usually 3 per cent - for a two or three year period. This option, Knight says, is very popular even though both methods mean the borrower is storing up extra debt.

deferring. And on the Bank of Scotland stabilised mortgages, on which borrowers pay between 9.5 and 11.5 per cent, the true charge is 2 per cent above base rate, or 15 per cent at present.

Three more ways to spend

THE PROLIFERATION of credit cards on the market continued this week with Save & Prosper, Allied Irish and Barclays all putting their latest before the public.

Table with columns: Interest Rate, Type of Card. Lists various cards like Visa and Mastercard, Barclays Assent, etc. with their respective interest rates.

USING A Personal Equity Plan (PEP) as a vehicle for repaying your mortgage has a lot of on-the-surface attractions. Dominion Investment Management, the Brighton-based financial services group, makes the most of them in the promotional literature for its tax-free mortgage repayment plan launched this week.

So, in theory you have the best of both worlds: the benefits of a tax-free savings vehicle, and considerable flexibility to pay off your mortgage early or take tax-free income or capital. Why, therefore, has the PEP mortgage been so slow in coming?

One practical reason is that, under PEP regulations, the mortgage lender is not allowed to make a formal charge on the PEP. In other words, it can insist on you using the proceeds of the PEP to repay the mortgage loan.

room for manoeuvre if the London market takes a dive. These restrictions on the size, and type, of investment makes PEPs high risk, and further regulations also make them costly, so additional charges tend to offset the benefits gained from the tax-free concessions that should boost the performance of the fund.

are steep, to say the least. The first year (initial) charge, taken at the beginning of the plan, is based on the term of the mortgage and the annual subscription. This is calculated by deducting 1/4 (37.5 per cent) plus VAT from the first year's contributions to cover the first 10 years of the plan, plus 1/48th of subscriptions for the next 10 years and 1/60th for subsequent five-year periods. This totals up to 66.6 per cent (two-thirds) for a 25-year plan, or £4,000 out of a £6,000 contribution.

These people probably would benefit from switching to Assent, and Barclays says that it is planning a 25m advertising campaign to spread the news about the card.

John Edwards examines a new way to pay off your property Putting PEP into a mortgage

maximum contribution is £3,000 annually (it was £2,400 originally) and the plan has to be renewed each year. There is no guarantee that the Government will continue PEPs in their present form; indeed, there is every chance that radical changes will be announced in this year's Budget following the failure of PEPs to appeal to investors.

Peter Shepherd of Dominion is not worried by these points. He notes, for example, that a husband and wife between them can put £6,000 into a PEP each year, which should be enough to repay a substantial mortgage over a period of 25 years. He feels any changes in the Budget will enhance, rather than reduce, the benefits of PEPs.

Another fundamental problem with PEPs is that, at present, the bulk of investment is confined to UK stocks only and there is precious little

Advertisement for Gartmore Index Funds. Text: 'All index funds may seem the same until you talk to Gartmore.' Includes details about Gartmore UK Index Fund and Gartmore International Index Fund, and a form to request more information.

Advertisement for Johnson Fry Corporate Finance Limited. Text: 'High earner pays no tax'. Features a photo of Peter Fletcher and details about tax relief on mortgage interest and how Johnson Fry can help.







# FINANCIAL TIMES SURVEY

**Sales figures suggest that the Government is succeeding in shifting the pensions burden on to the private sector, writes Eric Short.**

**Yet the full message appears not to be getting through. Too few people are making use of the new freedom to provide for their old age.**

## Not as cheap as you think

LIFE COMPANIES operating in the UK issued more than 1m personal pension plans in the last six months of 1988, for total premiums, excluding rebates and incentive payments of £398m.

This was revealed recently by Mr Roy Brimblecombe, chairman of the Life Insurance Council of the Association of British Insurers, when he announced last year's new business figures.

On the face of it, the picture is one of success for the Government's new pensions strategy, which was launched last July with personal pensions as its centrepiece. The objective was wider pensions ownership, to accompany the philosophies of wider home ownership and wider share ownership.

Wider pensions ownership was based on wider pensions choice, with employees free to make their own arrangements through personal pensions, outside the schemes of the State and their employers. In particular, the Government's aim was to reduce substantially the role of the State in pension provision by getting employees out of the State Earnings-related Pension Scheme (Serps), so that, at some future date, it could be wound-up.

Personal pensions are available to employees to contract out of Serps as an ordinary



## PERSONAL PENSIONS

is that APPs are literally "something for nothing" for employees not in a company pension scheme. The employee gets the tax relief and incentive payments, and neither he nor his employer has to put his hand in his pocket, write a cheque or sign a direct debit.

There is no other savings contract available where the individual does not first have to make a cash payment in order to get the investment return.

In addition, as a one-off concession to get personal pensions started, the Government is allowing eligible employees to take out APPs relating to the financial year 1987-88. But the contracts must be effected in the current financial year.

Life companies and intermediaries will be disappointed if they cannot repeat the 1988 sales figures by April 5. However, the indications are that employees are not enthusiastic about contributing to a personal pension on top of the contracted-out policy.

There is a danger here that employees will get the impression from APPs that pensions are cheap, when in reality they are expensive. An employee who accumulates just a succession of APPs will find that the

small ones with a few workers. But many such schemes provide no more than contracted-out benefits, which do not cost the employer a penny extra.

Even though, under the best-advice rules, employees should be told individually of the position, there is a risk that they will feel their employer is looking after them completely.

Intermediaries say that, once an employee has taken out a pension contract, they will contact him regularly to explain the situation and, if possible, persuade him to make fuller pension provision.

Life companies report large volumes of business from employees investing transfer sums from previous employers' company schemes. Though this is profitable to both sides, it does not represent new pension money, simply a transfer from one sector to another.

Finally, where ordinary personal pension business has been effected, life companies have not indicated any split between employed and self-employed. However, the Prudential's figures suggest that few employees undergo a proper pension planning exercise.

There needs to be more evidence of employees taking the

ALSO IN THIS SURVEY

The advisers' investment strategy	2
The employer's role	3
Taxation	3
Transfers	3

Illustration: Ann Chasseaud

## HOW THEY WORK

# Like a tax-free savings plan

A NUMBER of life companies are spending millions of pounds promoting personal pensions on television. These 45-second slots tell viewers how to get something for nothing (and for once this message is correct), but they do not explain what personal pensions are, their advantages and their pitfalls.

Ironically, the reason given for the radical changes in the pension environment was the projected high cost of Serps from around the year 2020. That cost could still be a burden in the next century, yet the Government is leaving promotion of personal pensions to the life companies.

The widening of choice included the end of the life companies' monopoly in personal pensions. Banks, building societies and unit trust groups can now market them, too. Life companies were not unduly perturbed about this. They felt that it would be a long time before any other institution could challenge their dominance - and that is proving correct.

Abbey National Building Society, which adopted a high profile in personal pensions, admits that the business was far slower to take off than it had anticipated. It found that most people had only a hazy idea of their pension situation, anyway. It is not easy to convey the advantages of contracting out of Serps if employees do not realise what Serps is and that they are in it.

Building societies have acted as intermediaries, rather than providers, either independent or tied to a life company. Some are now promoting strongly their pension advice services.

Unit trust groups have been slow to enter the market, primarily because most have a life-company connection. Those that have no such connection, including NM Rothschild, Fidelity and Gartmore, have entered but have found the regulations extremely time-consuming. They have decided to be niche players, rather than challenge the life companies head-on.

Midland Bank decided to enter the personal pensions market through its unit trust operation rather than its life company. It sold more than 16,000 personal pensions in their first six months; half were contracted-out only; another quarter were contracted-out plus top-up.

This may seem minute beside life company sales. But it could be the base for a major challenge in a few years' time.

ment, if applicable, and pays the money to the provider at the end of the tax year.

An APP is a salesman's dream. It does not cost his client any money - he or she would have paid the rebate anyway. The client does not even have to write out a cheque or sign a direct debit form. And the Government adds 2 per cent.

Normally, there is no carry-forward or carry-back provision. A year's contribution is lost once the year is over. However, as a one-off concession, employees may carry forward the contribution for 1987-88 to the current year.

**Investments:** Employees can effect only one contract each year with one provider, though they can change providers each year, transferring any existing APPs if desired.

**Personal pensions come in two forms:** appropriate personal pensions, available to employed people only as vehicles for contracting out of the State Earnings-related Pension Scheme (Serps); and personal pensions, available both to the employed and the self-employed. They are different and separate contracts, each with its own specifications, even if they are sold together by an intermediary to his client.

**Appropriate personal pensions** are available to employees in premium contracts. Employees have to effect a new contract each financial year. Since APPs are used to contract-out of Serps, the contributions are the National Insurance rebates currently 2 per cent of band earnings from employees and 3.8 per cent from employers. Band earnings are earnings between the lower and upper earnings limits, currently £2,132 and £15,860 a year respectively, increasing to £2,236 and £16,500 for the next financial year 1989-90.

Employees' contributions are eligible for tax relief at the basic rate only, paid in the form of a tax credit to enhance the contributions.

Where an employee has not previously been a member of a contracted-out scheme, or has been a member for less than two years, the Department of Social Security will make an incentive payment of 2 per cent. The precise rules for eligibility for this incentive payment are complex.

Thus the total contribution to an APP will be 8.46 per cent of band earnings, including the incentive.

The employee is not required to make any arrangements for payment of the contribution or reclaim the tax relief. He and his employer completes the form setting up the APP, which is then sent to the personal pension provider.

The employer deducts the full NI contribution in the usual way; and the DSS separates the rebate, collects the tax credit from the Inland Revenue, adds the incentive pay-

## MARKETING

# The campaign heats up

IN THE wine bars of the deepest Soho, capital of the world of advertising, the Government's proposals to widen the ownership of personal pensions must have been greeted with open arms.

Not that ad men were rushing to leave their company schemes, but the realisation quickly dawned that this was one of the biggest marketing opportunities in the financial services sector.

And so it has proved. Last year, for instance, Prudential spent £7m on advertising in the single biggest financial services marketing campaign

ever. And the campaign is just hotting up again, as time runs out for taking advantage of the government rebate by contracting out of the State Earnings-related Pension Scheme (Serps).

It is almost impossible to assess the success of the past year's campaigns, because one does not know how much pension business would have been done without the expensive promotions. But all marketing men admit that pensions are difficult to project - one can conjure up an image of, say, toothpaste or coffee, but pensions are an abstract concept.

They are seen as dull, boring, complicated, unintelligible - the sort of thing most people only worry about as they get



Still too old - but most viewers aren't

open our ears before we open our mouths".

Prudential also wanted to convey to intermediaries that it was going into the pensions business in a big way, and that it would give 100 per cent support - for instance, by providing videos that could be shown to customers in their homes.

Prudential is the largest insurance company in the UK, and its market share has been particularly affluent. "We're really looking at people who might leave the state scheme - we were not encouraging people to leave good company schemes," says Mr Alan Smith, who believes that an increase in market share over 1988 was a direct result of the campaign.

Prudential found that its TV advertisement featuring Griff Rhys Jones was successful, perhaps because people recognised him and enjoyed the commercial. However, its more subdued Greenhouse ad, last June, in which pensions were discussed in low, gentle voices was less effective. "Perhaps it was because you couldn't see people's faces, only hands making a cup of tea and holding securities," suggests Mr Smith.

Nevertheless, new premium business increased by one third. Some 220,000 contracts were written by Prudential for people opting out of Serps and investing the resulting rebate in personal pensions, worth around £110m.

Guardian Royal Exchange took a different approach from Prudential. After talking to its advertising agency, Collett Dickinson Pearce, it decided to concentrate on the brand rather than the company. GRE's market research indi-

## FIDELITY SELECT PERSONAL PENSIONS

# Now there's a personal pension as strong as Fidelity's performance.

Self-employed? No company pension? Frozen pension assets? Fidelity Select Personal Pensions offers a pension managed by one of the UK's leading investment houses.

Just consider the Fidelity record - strong and consistent performance in all major world markets.

Region	Fidelity Fund Trust (Growth & Div)	Position in Sector Since Launch	Total no funds Over 5 Years
UK	Special Situations (17.12.79)	1st (202)	4th (293)
US	American (17.12.79)	2nd (26)	12th (57)
EUROPE	European (04.11.85)	1st (47)	-
JAPAN	Japan (12.10.81)	1st (12)	12th (26)
	Japan Special Situations (14.04.84)	2nd (31)	-

Source: Microsoft office to offer, not income reviewed. Figures to 1.2.89. Please note past performance is not necessarily a guide to future returns. The value of units reflects the value of the underlying investments and may fluctuate and is not guaranteed.

These are five of the trusts available through Fidelity Select Personal Pensions. In total there are thirteen portfolios to choose from, meeting the full range of investment objectives. The minimum investment is £2,000 single lump sum - £200 for monthly contributions.

At the end of the day it's performance that counts. So look to Fidelity. Your Independent Financial Adviser will have full details of our Select range. Alternatively, Callfree 0800 414161 and ask for the Select Personal Pensions Department.



Fidelity Investment Services Limited, Member of IMRO and LAUTRO. Member of the UTA.

Ref Code FT 64

## PERSONAL PENSIONS PERFORMANCE

Since 1974 'Planned Savings' has published 27 tables. In 14 we came 1st. In 7 we came 2nd.

Since 1974, 'Planned Savings' Magazine has published surveys of money paid out by regular contribution with profits personal pension plans over 10, 15 and 20 years.

In 27 tables, The Equitable has come top in 14 and second in 7 more, leaving our competitors to share out the remaining 13 first places between them.

For example, if you'd retired on 1.4.88 aged 65, you'd have been 50% better off with a top performing Equitable 20 year regular contribution with profits policy, compared with the worst performer.

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## The Equitable Life

Before you look to your future, look to our past.





MINDING YOUR OWN BUSINESS

A legal boutique for the small man

IF THE three young solicitors whose Marylebone practice, Lomasney Berwick, is just 18 months old, were content to follow fashion in the legal world, they would be busy looking for a big corporate firm with which to amalgamate. That is the route much favoured by ambitious London lawyers as they move towards the desirable goal of £40,000-plus secure incomes.

But the three partners have rejected such a temptation. They have decided to stay small and independent - although that means they must be prepared to be considerably worse-off financially during the next few years.

Their situation, and the novel way they have decided to plan for the future of their partnership, puts into focus the dilemma facing many urban solicitors today as moves for reform in the legal trade gather pace.

Roger Berwick, 42, and Siobhan Lomasney, 33, found that they worked well together, and had similar ambitions, when they were both partners in a West End practice. Berwick had begun his career in Nor-

wich while Lomasney had qualified after graduating from Queen Mary College, London. They set up as partners in 1987, bringing with them a few clients and little money but lots of drive and ambition. In their first year, they reached the budget target of their business plan almost exactly with a turnover of £90,000. By last summer, they felt that sufficient work was coming in for them to ask another solicitor - Caroline Little, 33, who Lomasney had known since college days - to become the third partner.



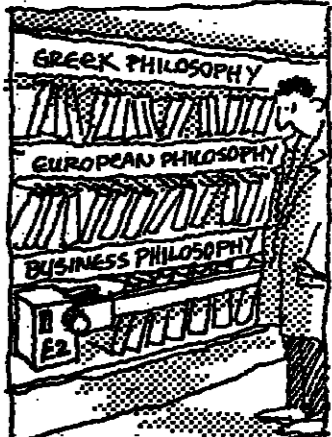
Roger Berwick and Siobhan Lomasney drive and ambition

Little is away on maternity leave. Meanwhile, the partners are keeping down costs by drawing the smallest salaries on which they can manage. "But it's all worth it for the independence we enjoy," says Berwick.

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Wise words

ADVICE ON creating and running small businesses falls broadly into two categories: the factual and the philosophical. The Consumers' Association has managed to combine help on the two strands rather neatly in its new edition of Starting Your Own Business.

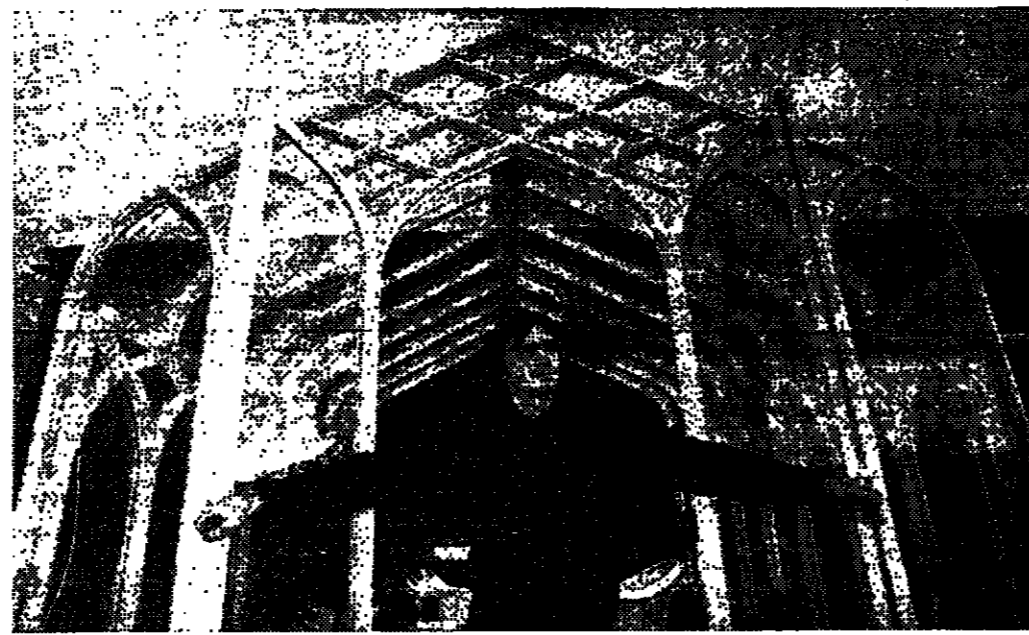


set your sights too low. From the start, your aim should be to make a reasonable living. It goes on, uncompromisingly: "In becoming your own boss, you may find yourself working for a harder taskmaster than any you have had - one who offers unliberal working hours, uncertain holidays, and perhaps less money than you were earning before."

Tim's Gothic success story

A TASTE for the Gothic has been the key to Tim Barron, aged 30, creating a £1m a year turnover in conservatories within five years after starting with just £3,000 capital. His business, called Crystal Palaces, looks sleek and prosperous now as, each week, several conservatories packed ready for erection leave a new, purpose-built factory sited improbably on the edge of the Cotswolds' show village of Bourton-on-the-Water.

of Printing at Elephant and Castle as a photographer, where he developed his innate sense for design. His subsequent career as a photographer was short-lived. While taking pictures of conservatories for a brochure, he decided that he could design and make much better ones.



Tim Barron: a turnover of £1m annually within five years of starting up with £3,000 capital

Tim Barron: a turnover of £1m annually within five years of starting up with £3,000 capital. suited admirably to the light vaultings and traceries of his conservatory designs.

entirely from publicity in the magazines dealing with posh houses and dream gardens. Like all success stories, though, there is more to Barron than the qualities you see on the surface. His design skills have enabled him to

solve the difficult manufacturing problems involved in setting up a production line for Gothic tracery. And his persistence has enabled him to overcome the technical problems involved in adapting glass fibre and resin to his production line manufacturing.

Baron and his production manager, Bill Nesbitt, 25, have built the firm and made themselves in aluminium from Barron's own designs, and they have installed a double glazing production plant to their own design (the great virtue of double glazing for a conservatory being that it abolishes condensation on the glass roof that causes internal rain showers).

MINDING YOUR OWN BUSINESS

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TRAVEL

# Take the car — the resort is a mere 1,500 miles away

John Griffiths makes the return journey to Corfu in the family station wagon . . . and lives to tell the tale

**T**HERE WAS a serious purpose in my bringing the heavily-laden family station wagon, more than 1,500 miles for a holiday on Corfu lasting only two weeks.

The Ionian and Aegean islands, mainland Greece and increasingly Turkey are rightly popular holiday destinations. But as the drachma has sunk to make Greece and its islands more attractive financially, their price has climbed in other ways: eternal airport congestion, ever-longer flight delays and fatigued, protesting children — all culminating (so we thought) in those days-long holdups at Gatwick Airport last year.

Thus, the idea was born of a taking a car on holiday but extending the routine to reach Europe's more far-flung holiday regions.

On our return to the UK, a round trip of 4,000 road miles assumed an even greater relevance — the British Airports Authority had just issued its warning that delays would be worse this year, and that airport "tent cities" might even be set up.

Faced with such a dire prospect, is it worth taking the road alternative? The answer is "yes" — but only up to a point. The way we did it (and would do it again) costs more than flying and renting a car; takes time, and has its potential pitfalls.

The main conclusion, reached at the end of the outward leg while driving solo, is that no family which includes pre-teen children could contemplate such a trip and expect to be still talking to each other by its end. And that's on a one-way journey, never mind the return.

However, if the driver is prepared to go alone, and invest an extra three days either side of the main holiday in doing so, the rest of the family, travelling by air, will be eternally grateful — in particular for being able to travel without even hand baggage, and to have waiting for them toys, clothes, sports gear and other

**COSTS (£) IN AUGUST ON SHORTEST CROSSINGS**

Operator	Car			
	Small Family of 4	Medium 2 adults	Large Family of 4	Peak Off-Peak
F&O	206	154	198	138
Sealink	206	148	198	140
Hoverspeed	254	216	242	204

Operator	Car			
	Car up to 4.25m	Peak	Off-Peak	over 4.25m Peak
Sealink	304	366	324	402

Return journeys for more than five days. Family of four passengers two children aged 4-14 (children free)

**ANCONA - CORFU/ IOUONENITSA/PATRAS (return)**

Family of four passengers two children aged 4-14, in cabin



Captain Clive Wood at the controls of super ferry Pride of Calais

goods which they would not have contemplated taking by air.

There is, too, the convenience factor of having one's own, familiar car available. And last, but not least, for anyone who likes driving, there is the prospect of some adventurous driving through spectacular scenery.

Putting the idea to the test began, almost inevitably, at Dover with the early realisation that ferries are not what they used to be — for which we can be profoundly grateful.

With the Channel tunnel being bored beneath their heels, Sealink P&O European Ferries and the other cross-Channel companies are trying hard to build up customer loyalty. Thus, the Dover-Calais crossing of self and Sierra on

the heel of Italy, was ridiculously generous.

By 6.30 pm, the Sierra was stuck firmly in an autoroute jam. At 10 pm, it had still not moved. Unseen, miles ahead, was a crash of appalling severity. On "our" stretch of autoroute, we had a picnic and a party. At midnight, I gratefully fell into a £50 single room at Lyons' Hotel Mercury, thoughts of Chambéry, still 50 miles distant, long since abandoned.

Even by that stage, I was glad, craven as I am, that the children were flying on the outward leg and were not along for the ride.

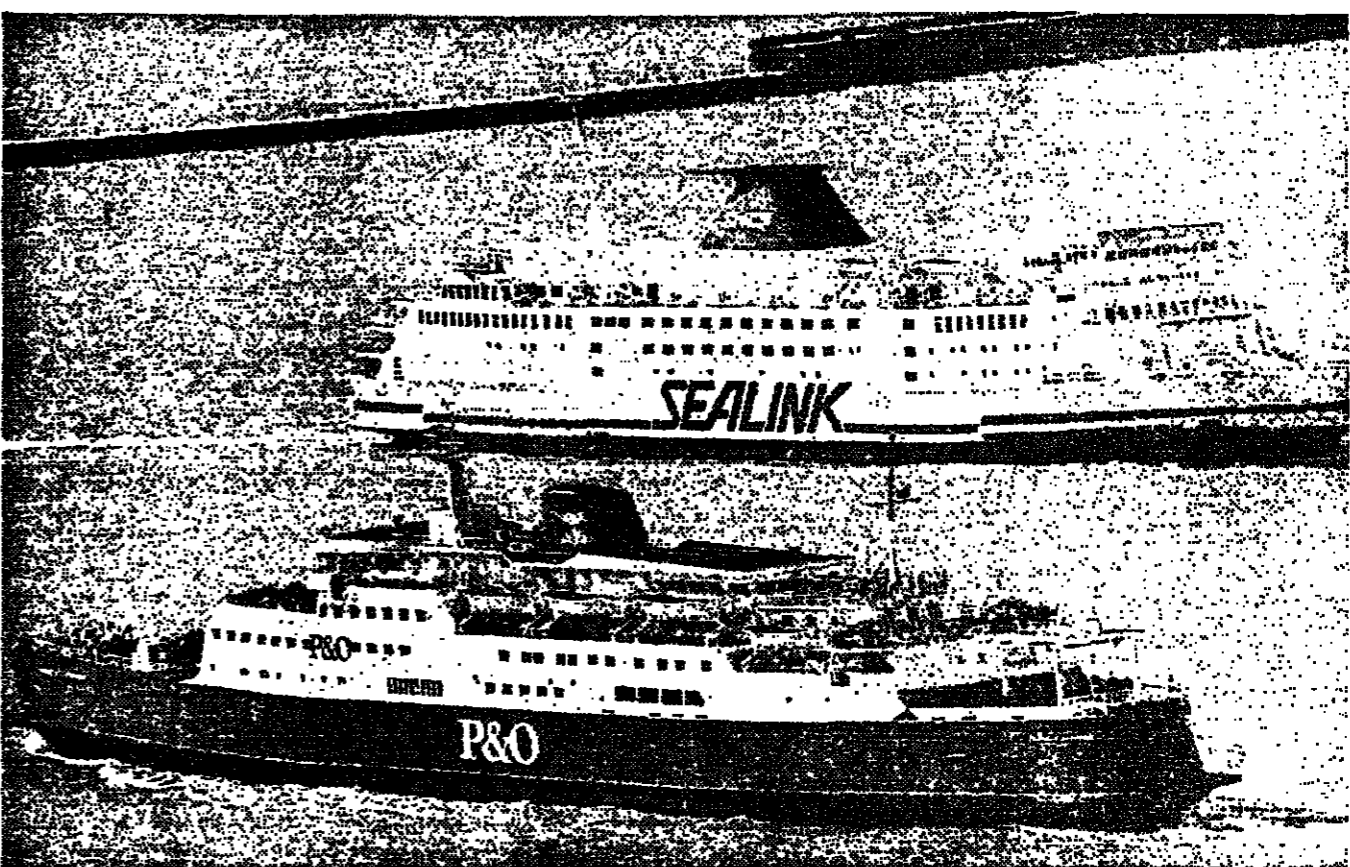
The following day brought an entertaining journey over the Alps through the Col du Cenis and a long, boring but high-speed slog skirting Turin and across the plains of Northern Italy. Hotel Mercury, thoughts of Chambéry, still 50 miles distant, long since abandoned.

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Ships that pass in the day . . . at Dover ferry terminal

warning of the dire, disgraceful chaos of the place. With four hours to go before sailing, neither port nor Adriatica Line officials were making the slightest attempt to explain to a slowly growing crowd of would-be passengers, even those armed with pre-booked tickets, where the embarkation office might lie.

Such was the confusion, and such the surly nature of Brindisi's officialdom, that chaos reigned. My most vivid memory is of the nowhere-near-full ferry pulling away from the quay, leaving in tears five Canadian girls who had arrived at the ferry at 6 pm and simply been unable to find their way through petty, bloody-minded officialdom.

A few hours later came compensations. To round the north-eastern tip of Corfu in the unearthly light of the Ionian Sea, in the shadow of Mount Pantocrator, is a spirit-lifter par excellence.

In stark contrast to Brindisi, formalities with the ever-cheerful Corfiot customs and immigration were over in a minute. Thirty minutes later I was checked in for a night at the Corfu Palace, a discreet gem of a luxury-class hotel just round the bay from Corfu

Town's old fort. By the following morning I was unloading at our villa, in a remote part of north-east Corfu.

Any regrets about the long trek vanished as gear tumbled out of the Sierra. Altogether, it seemed like half a plane load on its own.

It was also a relief that when the children climbed into the car, we could strap them — and ourselves — into safety seats and harnesses we knew would work. Apart from being horrendously expensive — better budget £250-£300 a week for a medium saloon or a Suzuki jeep — I'm by no means convinced about hire car safety standards on Corfu or, indeed, in many other parts of the Med.

Two weeks of bucketing our way across the rocky Corfu outback would later take its toll in terms of early replacement of a couple of tyres. But the car remained a boon and, even at the end of the return journey, there were only a few regrets about having made it.

The journey home was a different proposition entirely. Having traded in my Adriatica Line ticket, at little extra expense, for one which would take me by Minoan Lines all the way to Ancona, I settled

down for what was effectively a 24-hour cruise up the Aegean aboard a vessel with a more than acceptable restaurant and even a top deck swimming pool.

The rest was easier, too. The run across northern Italy was no less boring, but mercifully shorter. Stopping only for petrol, Milan and the Mont Blanc tunnel were despatched by mid-afternoon. By early evening, I was enjoying an aperitif in the modest but beautifully situated Hotel des Tresoms high above the lake at Annecy.

Even after an exceptionally leisurely drive through the beautiful hills and meadows between Annecy and Beaune, with a two-hour delay courtesy of the *Tour de France* cycle race and a consequent unplanned rush-hour confrontation with Paris's *rue periferique*, I was in Calais in good time for the 9.30 pm ferry. The return trip, by Sealink, did nothing to dispel newly favourable impressions of the ferries.

A less painful way of arriving — with both car and family — at long distance holiday destinations is by using French SNCF Motorail. It is perhaps indicative of worries over air travel this year that SNCF

Motorail bookings from the UK are up 40 per cent this year.

Taking Motorail from the Channel to Milan, for example (a second terminal is operating at Boulogne for this season), allows the family to eat and sleep in comfort on the train and puts ports such as Venice and Ancona within reach of an easy drive. The snag, as ever, is cost. For husband, wife and two children to travel first class return between Paris and Milan, with (compulsory) sleeping accommodation, will be £570. Whether it is worthwhile depends entirely on individual criteria.

There are other necessary costs associated with a long-distance motoring trip. Only a fool would set out without maximum insurance cover for passengers and car with the RAC, AA, Mondial Assistance or other similar organisations.

For a really long haul to Brindisi and back, expect to pay around £100 in toll charges.

Overall, we calculated that the net extra cost of taking the car separately, compared with flying en masse and renting a car on arrival, was around £450 when savings such as one less air fare and no rental charges are taken into account.

HOLIDAYS & TRAVEL

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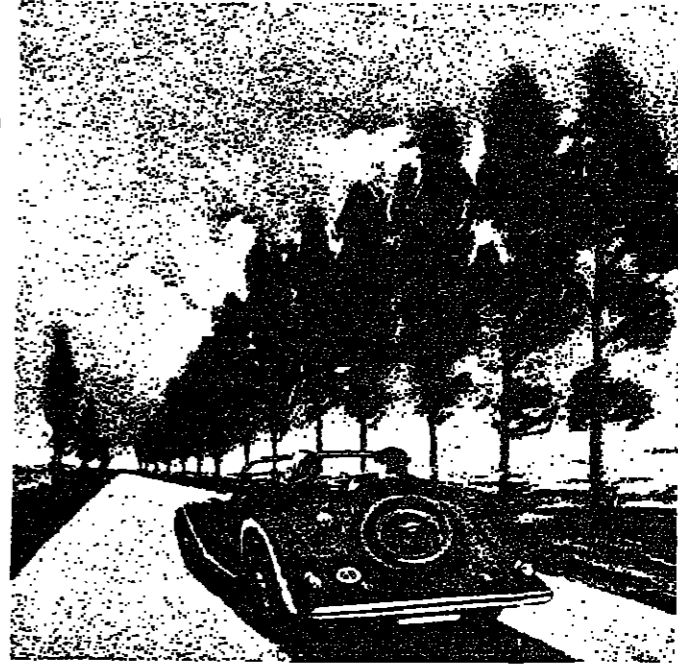
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TRAVEL

Eee, bah gum, it's posh

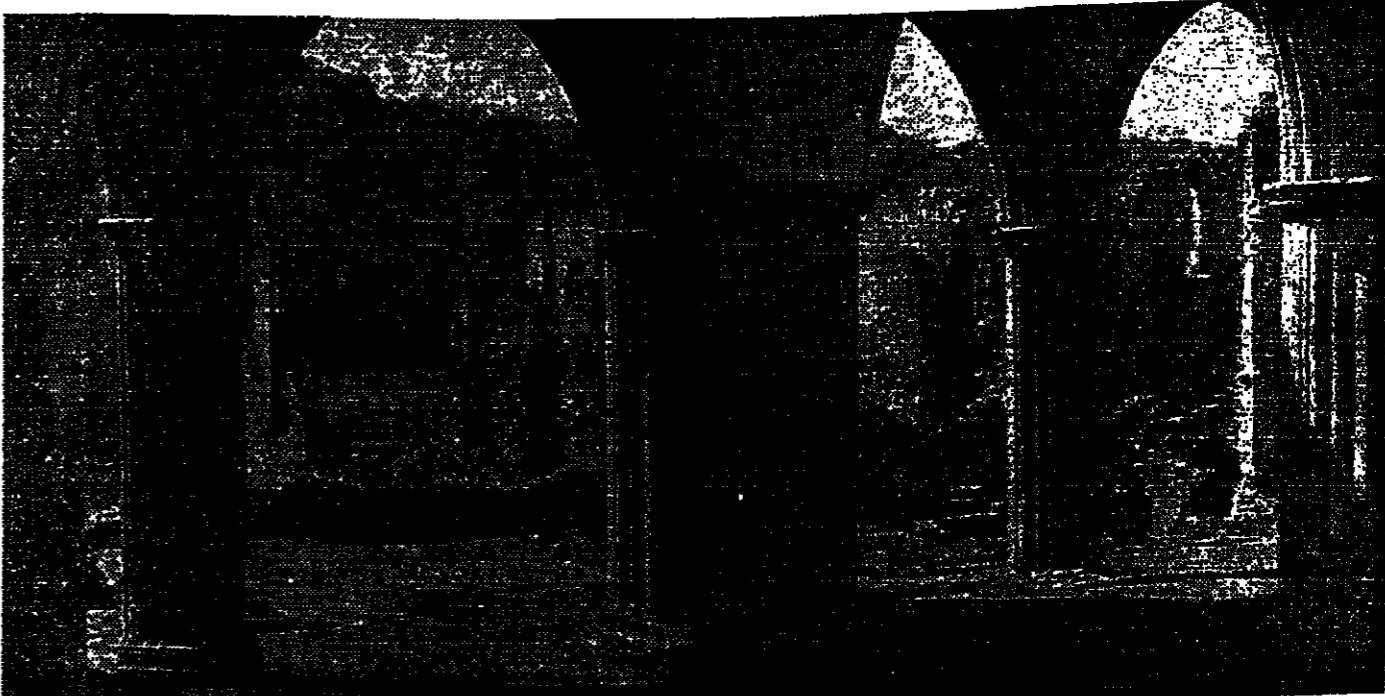
William Glenton discovers the pleasures of Yorkshire's Other Side

IT WAS not so much the stately home grandeur that captured my attention: Yorkshire has more than its share of that. Rather, it was the humbler buildings virtually in the backyard. How many country hotels have a silent order of Carmelite nuns next door? They could not find a more peaceful, soulfully inspiring haven of loveliness than this one - only a short detour away from the polluted A1, with the busy city of Leeds just over the hill.

did isolation within handy reach of mass attractions such as Harrogate, Harewood House, Fountains Abbey and York. Not to mention these greatest lures of all - the Yorkshire dales and moors. But this longest and most varied of all English counties is not all rustic charm. Nor does its old image of smoky mills and factories count for much now.

There is no more famous stable there than Whitewall, where top-class winners have been kept for over 200 years. It was here that in the last century the inimitable John Scott produced a record number of classic champions. The present trainer, Frank Carr, not only welcomes visitors but with his wife, Rose, provides them with self-catering stays in four modernised but listed cottages.

Some way down the road, you can mix with racehorse owners staying in one of those charmingly refurbished small hotels that have become a feature of North Yorkshire. Once the home of a rich owner, Leat House has recently been decorated stylishly in traditional manner. The new owner arranges stable visits and, with eight top racecourses within an hour's drive, not to mention point-to-points and hunts, it is easily possible to enjoy an entirely equestrian holiday.



Rievaulx Abbey, just three miles to the west of Helmsley in Yorkshire

the Yorkshire pud and Yorkshire ales you are served paeala and an extensive choice of good Spanish wines. It is what happens when a Spaniard like Gonzalo Aragaces weds an English girl who prefers Yorkshire as much as she cherishes his homeland.

No-one visiting this Other Yorkshire should take anything at face value when choosing a place to stay or dine. You could easily over-

look, for example, the ancient White Swan in the little Ryedale town of Picking, believing it to be just another charming pub. Inside, though, you step into a world closer to Bordeaux, for few other British restaurants offer such a rich choice of St Emilion wines - hardly surprising since the wife of the couple who own the pub is one of the very few Dames de la Grande de Saint Emilion. Guests can wade

through the vintages at one of the wine appreciation weekends held in winter. A baker's dozen of modernised rooms with private bath are available. Water, rather than wine is what many of the holidaymakers who stay in Yorkshire's good selection of tourist farmhouses would expect, but hardly to the extent that Mrs Taylor, at Carr House, near Ampleforth, has taken it. Her guests were so pleased with

the tap water fed through a pipe off the Hambleton Hills' spring above her cosy, beamed farmhouse that she now bottles it for sale all over the county. For only £14.50 you can get it literally on tap along with evening meal, breakfast and bed in a four-poster. Details of this Other Yorkshire can be obtained from the Yorkshire and Humberside Tourist Board (tel. 0904-707-081).

ANOTHER boring day in paradise. The sun is blazing for the umpteenth day and the Austrian sky is a sheet of solid blue. The snow, thanks to sub-zero temperatures at night, has retained a remarkable consistency despite having been lying around in Kitzbühel for weeks. It seems to be almost alien to nature's present mood. The birds seem convinced that we are well into spring, although none has been rash enough to start building a nest yet.

more difficult than what you were doing on the nursery slopes this morning. The run they are discussing is not the dreaded Hahnenkamm but a friendly little blue called Kaser (there are some wonderful Gilbert and Sullivan-sounding names here, like Baren Badkogel, Wilde Hag and Giggling). Even "little blue runs" can be sources of great terror for beginners, however, and this is Sue's first week on skis.

Some on day one, others in hour one. Kitzbühel, although one of the lowest (and most beautiful) of ski resorts, always seems to do better for snow than it ought to. The medieval town, with colour-washed facades and wonderful coffee houses with goaty cakes, is something of a snow trap. Yet, conditions are far from perfect for the vulnerable beginner. Sue, bravely learning to ski at the age of 46, is a survivor. In spite of many moments of abject fear, she has lasted the week. Only two others in her class of 14 have stayed the course. Another group has dwindled from 10 to three.

over their terror. "There's a girl here who's given up five times in five years," says Sue. "The first time she tried skiing, she gave up after an hour. Next year, she lasted a whole day. She came back a third time and lasted two days. This time, it looks as though she'll last the entire week." "But you can never tell. I was stunned when the girl in our class who seemed to be the most competent suddenly took her skis off after five days, halfway down a run, burst into tears and said she hadn't enjoyed a single moment of the week and was never going to ski again."

Sue, like a lamb to slaughter, duly stiffens her upper lip, blinks back the odd tear and heads for her suicide mission. "You have to be kind to all the great characters," Fritz Huber. "Just call me Fritz from Kitz." He chuckles. Huber, now 82, still skis on his beloved Kitzbüheler Horn wearing an exotic, multi-coloured ski suit that gives him the appearance of a latter-day Merlin.

let, the Postkrutsche, a 17th-century coaching inn. It has the comforts of a conventional hotel combined with the atmosphere of a chalet, arguably the best of both worlds. The food, produced by the resident chef, Andy Shurt, is excellent, and the chalet girls - charming, pretty and efficient - smile a lot and tidy your room with an impeccable vengeance. In the evenings, the girls serve dinner in traditional Swiss costume. Chris the butcher and Gordon the bartender look unimpressed in black tie.

the first to introduce a ski-guiding service, and Greg and his sidekick Owen certainly do an entertaining but responsible job as we roam Kitzbühel's associated ski areas at Pass Thurn, Jochberg, Kirchberg and the "Horn". The skiing is fun, with lots of invigorating reds and pale blacks but lacks anything seriously challenging except the Hahnenkamm, which is ferocious, especially when covered in sheet ice.

Arnold Wilson

In Kitzbühel, it's even fun being injured

Skiing

HOLIDAYS & TRAVEL

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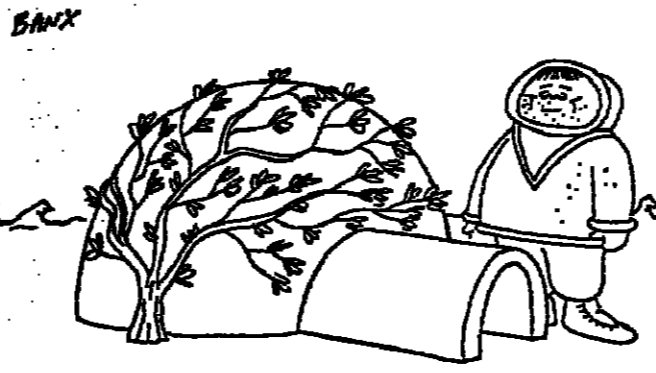
GARDENING

Flowers that thrive in the Arctic chill

Robin Lane Fox reflects on the stamina of plants

WE ARE still seeing the odd combinations. Last weekend, the rain was coming horizontally and there was ice in the wind...

pink and, very occasionally, some whites, most of which had funny little leaves scalloped at the edges and set with flowers about 2 in high.



quite a run. They all derive from a chance hybrid in a garden in British Columbia, but I hope they will not drive out the traditional primroses.

In Britain, we are all now keen to rescue lost garden varieties, conserve old plants or breed new ones. In Europe, the horizons are different.

Country Notes The winter that isn't

SOMEONE SAID to me the other day that it had been "such fun" when, a few years back, the village was cut off for 10 days in the snow.

This year, we have had large numbers flowering as though spring were here already. Among many examples of surprising precocity, the Dorset Environmental Records Centre mentioned frog spawn in unusual abundance, the earliest having been reported in the first week of January.

ing his head over how to cope with an alarmingly large crop of slugs, for they have not ceased to breed as they usually do in the winter months.

Now, I cannot help wondering whether my daughter will ever experience such things here. She has just celebrated her second birthday and has seen barely a snowflake, let alone a drift.

Even more confusing is the fact that we do not seem to have shaken off the old season. There is a hawthorn bush on a friend's farm which still bears last year's leaves, now tattered and dull, along with bright new ones and even an early flower.

The warden of a south coast bird reserve told me last week that 300 ducks had left suddenly for their breeding grounds in the north, presumably because of the mild weather.

There are no gardens, of course, among the Eskimos and I doubt if the huskies would give them much of a chance. There are, however, primroses, still forgotten by British gardeners; their endurance and stamina make me realise what plants will tolerate under stress.

The same farmer is scratching and species roses, since many combine much of the flower quality of the old Bourbon varieties with the health, vigour and repeat flowering of the modern hybrid tea rose.

What really did astonish me was that the New Dawn, Blanc Double de Coubert and Frau Dagmar Hartopp were appearing in the Kent poll for the very first time.

Jeany Poulsen

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Cheewiz: definitely a rose apart

EVER since rose breeders started using code names for new varieties under trial, it has been difficult to comment in any useful way on the results of those trials until such time as the garden names are available. That can be several years, by which time the awards have been made.

gets one magnificent display around midsummer and then packs up for the year. For me, Cheewiz, which has semi-double orange-red flowers and grows to about 7 ft (2.5 metres), raises the prospect of a new race of repeat blooming climbing miniature roses.

of its introduction is so strange that it is worth repeating more or less as told by W. J. Bean in 'Trees and Shrubs Hardy in the British Isles'.



shattering in the news that Just Joey is still its best-selling hybrid tea. It was raised by Cants and is highly decorative, with extra-large copper pink petals.

I was much more surprised to find that the pretty pink English Miss had moved up to top place in floribunda (cluster flowered) varieties, but it was entirely reasonable that white Margaret Merril and yellow Korressia should be second and fourth.

and species roses, since many combine much of the flower quality of the old Bourbon varieties with the health, vigour and repeat flowering of the modern hybrid tea rose.

What really did astonish me was that the New Dawn, Blanc Double de Coubert and Frau Dagmar Hartopp were appearing in the Kent poll for the very first time.

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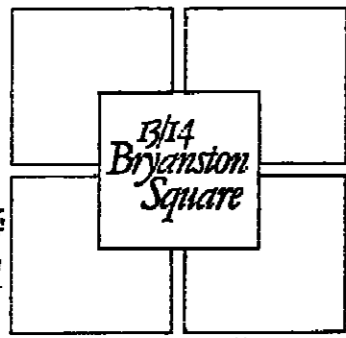
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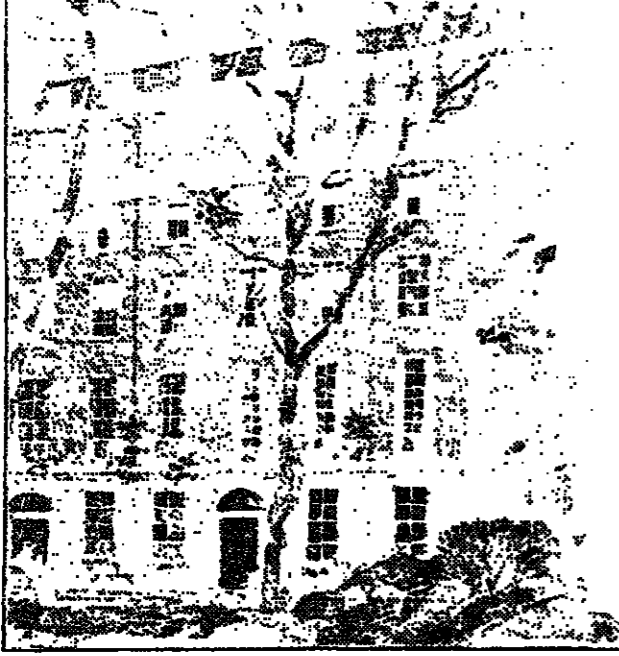
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**Interest rates? Forget them**

*Estate-spotters are doing thriving business, says John Brennan*

"WE HAVE been really surprised at the number of people who are not affected at all by changes in mortgage interest rates," says James Wilson. "There is no shortage of money. A lot of people have access to their own corporate money, or have access to various other forms of capital."

As one half of the team that set up Wilson & Wilson a little over a year ago to act as buying agents for country estates and London houses, James Wilson (and his namesake partner Charles) might have been expected to be floundering once the highly competitive sellers' market of 1988 faded.

It's easy to see the value of paying a 1.5 to 2 per cent fee to retain a buying agent as property spotter at a time when

every good house attracted a queue of competitive bidders even before it was advertised publicly. But when the market cools, why would prospective buyers need any help?

According to Wilson: "This is a perfect time for private deals, since a lot of agents are keen to offer a property to us on behalf of their clients because they know that the people we represent have got their finances organised."

Agents bring properties to buying specialists like Wilson & Wilson knowing that there is no risk of a deal falling through because the would-be buyer's own home is slow to sell. "Our buyers really want to buy, and have thought through a move."

As well as tracking down

and negotiating £350,000-plus country houses for clients, the agency is acting now for expatriate investors looking for £150,000-plus London flats.

Wilson & Wilson (01-727-1977) has also started to develop a business hunting bigger country properties for companies that want to move their businesses out of town.

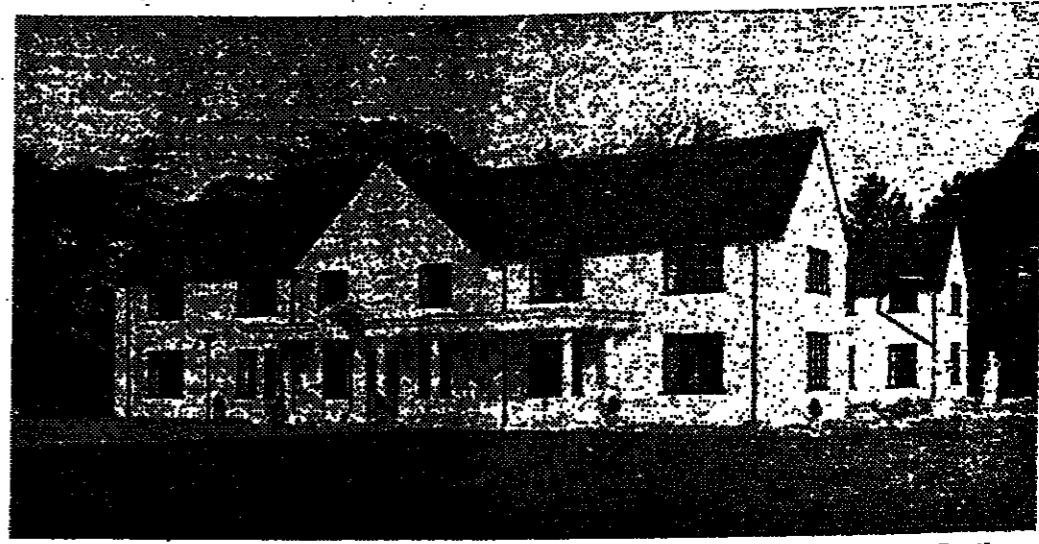
"Rents in London and in all the major cities have risen enormously in the last few years and we have been approached by a number of companies interested in the idea of relocating to their own building," James Wilson says. "There are lots of big country properties that are not suitable for use as a private house, but which can make good company headquarters."

He adds: "County planners are increasingly more sympathetic to changes of use, particularly now that the high cost of borrowing is deterring speculative developers who would have wanted to split them up into flats."

As those apartment conversion schemes thin out, quite a few county planning authorities are becoming more amenable to the idea of companies buying and converting country houses for business use because of their concern about the age profile of the local population.

Buying interest from company users helps to counterbalance an insatiable demand for conversion of larger country properties into private rest and nursing homes.

YOU COULD lean over the fence and chat to the neighbours' weekend guests from the White House or the Kremlin... or, at least, you could except for the small army of security men. Having the Prime Minister's country home, Chequers, next door clearly adds to interest in Lodge Hill Estate at Butler's Cross, at the highest point of the Chiltern Hills near Wendover, Buckinghamshire. The seven-bedroom mansion formed part of the Chequers Estate until 1917 when Sir Arthur (later Lord) Lee gave Chequers to the nation. Now, Lodge Hill house, gardens and 127 acres of farm and woodland are for sale through Peter Robinson & Company (09274-20622) at a guide price of £2.5m.



HAYES END Manor, South Petherton, six miles east of Ilminster in Somerset, is the English Courtyard Association's latest retirement homes development in the south-west. It is built around the house and five-acre gardens of the 14th century Ham stone Hayes End Manor farmhouse, its converted granary and former flax barn.

As with most of the English Courtyard schemes, the majority of the first phase of what will eventually be 21 mainly two-bedroom flats and cottages have been reserved for prices ranging from £85,000 to £140,000, with an estimated weekly service charge of £45. Details from ECA (01-937-4511).

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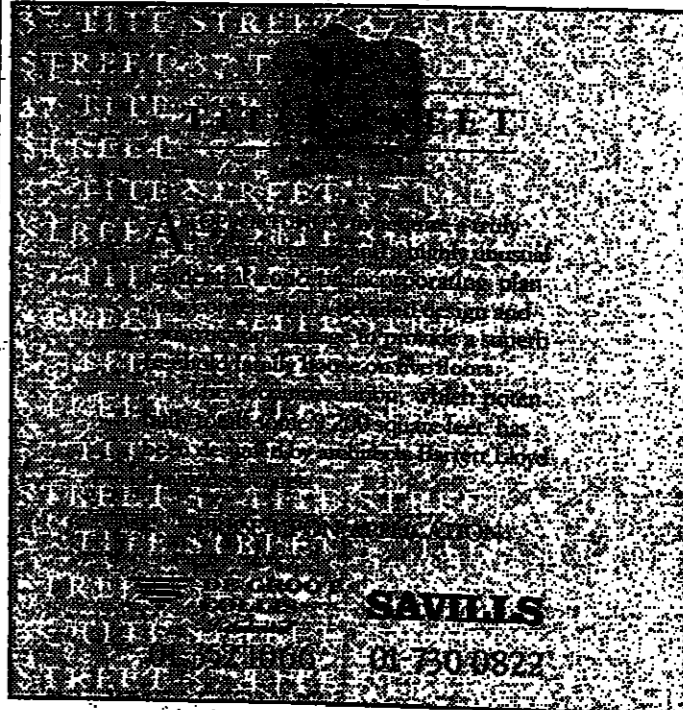
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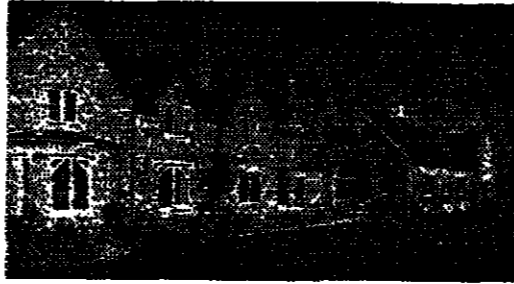


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**BEDFORDSHIRE - NEAR POTTON**  
A charming Victorian rectory, the centrepiece of a quiet rural hamlet, with magnificent views across open countryside. Entrance hall, 3 reception rooms, kitchen, master bedroom suite with dressing room, 5 further bedrooms, bathroom. Indoor swimming pool, gymnasium, staff flat. Triple garage. Gardens. In all approximately 2.25 acres. Freehold for Sale. Hampton, Barnet Office: 01-449 9246 and London Office: 01-493 8222

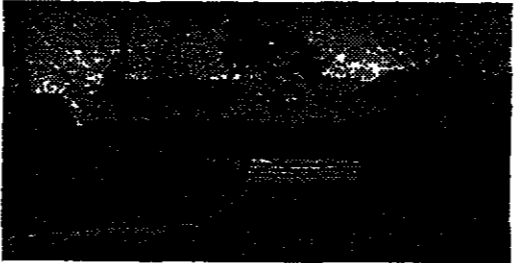


**SURREY - LEIGH, NURREGATE**  
A charming 17th Century country house with later additions and cottage situated in beautiful and partly wooded grounds. Hall, 4 reception rooms, kitchen/breakfast room, domestic office, 7 bedrooms, 3 bathrooms. Staff annex with living room, kitchen, bedroom and bathroom. Guest cottage with 2 reception, 3 bedrooms and small garden. Gardens with heated swimming pool, tennis and lawns. Outbuildings, Woodland and 2 paddocks. In all approximately 26 acres. Freehold for Sale. Hampton, Guildford Office: (0483) 572864 and London Office: 01-493 8222



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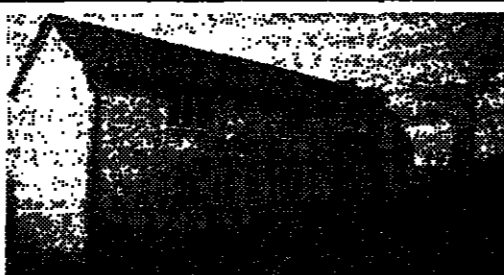


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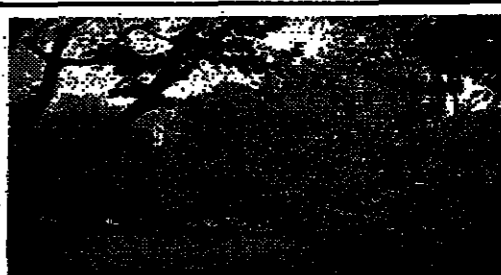
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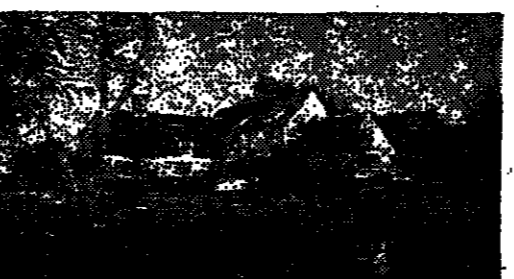


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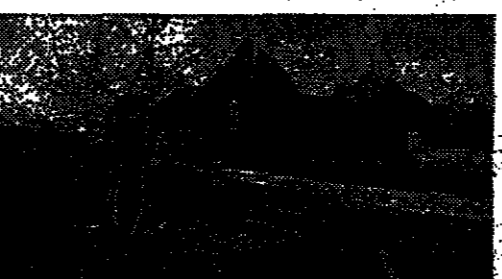
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Fine old farmhouse in idyllic countryside. A lovely property with lots of period features. Entrance hall, dining room with inglenook, dining room, study/games room, kitchen, utility, cloakroom, 4 bedrooms, 2 bathrooms, sauna, Barn. Outbuildings. Beautiful gardens. Paddock. 4 1/2 acres. Offers in the region of £295,000. Hampton, Saffron Walden Office: (0793) 22628



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PROPERTY

Now is the hour for a serious sales pitch

John Brennan provides some timely tips on the best ways to impress potential buyers

RACE YOURSELF. This is the year when... if you want to sell your home...

The rest of the home-buying public... as the time can be distanced from one another...

Rationally, the fact that these avidly charted price movements ignore the costs of property transfer, repair and maintenance charges...

The only answer in these cases is to write-off the first attempt to sell and start all over again.

Another more common (and far more easily resolved) reason for failing to sell is where a property has been placed with too many estate agents.

Most of the national agency chains have now halted their colours to the sole agency.

THE COMBINATION of a modern house and a good site is rare enough to bring the viewers out to Benedict House near Incheon, Berkshire.

Farley & Co reports that, for a prime quality property, a modern kitchen these days means one with, at a minimum, waste disposal, dishwasher, up-to-date cooker, washer-dryer, good storage and well-lit worktops.

If he switched sides for a moment and joined the reading classes, how would Ramsey set about his work?

"You can't win because people's tastes are so different. It's much better to save all that expense and send a few thousand advertising and presenting the place properly."

As for houses with a past, a little time researching the history can be well worth while, but that history needs careful editing.

A more ephemeral, not to say ethereal, suggestion is to be wary of things that go bump in the night.

As long as "easy access to the airport" does not mean right under the flightpath, "historic" does not mean that it is a dangerous structure held together by the wallpaper.

The perverse law of buyers' visits dictates that the one light that's never been needed in years is the only one that's tried.

Hiding the DIY manuals and restraining the urge to talk about your amateur efforts as a structural engineer will be the better buy.

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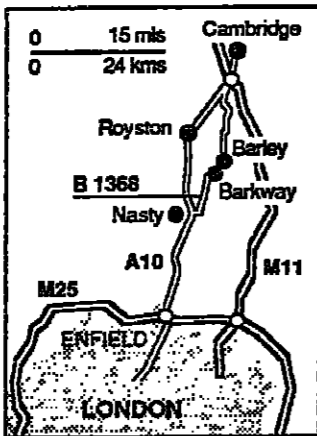
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OUTDOORS

To Marble Arch by midnight

Nigel Spivey on a bicycle trip from Cambridge to London

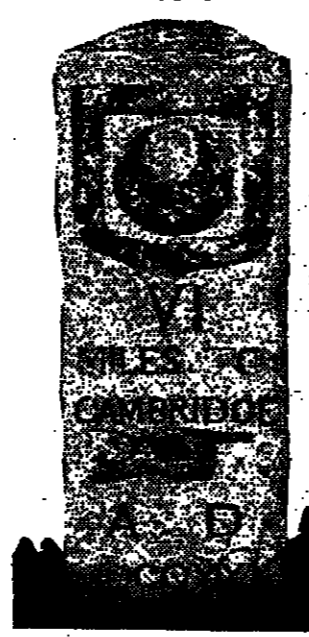


LEFT Cambridge to the first splinters of bird-song in college gardens, and with no soul on the streets save a fluorescent road-sweeper gathering the night's detritus of beer cans and junk food wrappings. This is a street in the heart of the town which appears devoted entirely to pizza: a device intended to alleviate starvation in Naples but now the staple of provincial England.

So, sunlight assisted me along the London road. This - or the B1368, as it is charted - is a route that pre-dates arterial networks and is, consequently, disregarded by most drivers. It is marked partially by milestones, crested with the crescent of Trinity Hill, and a cyclist appreciates these tokens of his progress. I imagine this as the route favoured by those dons who would walk from Cambridge to London as a common-room challenge with a bottle of claret resting on being able to reach Marble Arch by midnight, having set

itants hereabouts overtly prosperous. But the Women's Institute is still a force to be reckoned with: there are villages such as Barley and Barkway that converse their elders in half-timbered halls, and local produce is put out for sale at the side of the road. Our pizza-based society will have gone properly rotten when sacks of maize, or jars of jam and fresh-picked flowers, cannot be placed for sale at the roadside with no more than a plant pot to receive payment.

It was along the A10 that I became conscious of the quantity of debris that exists on the margins of a busy road. It is prodigious. Some of it is pathetic - one newly-dead fox, two clobbered magpies, numerous sparrows, and pigeons sufficient to fill a substantial pie and some of it to be expected - hence plenty of hmb-caps and at least five orphaned number-plates. But most of it is a dross of discarded cigarette packets, sodden print, and muddled bottoms and bosoms. The M25, viewed from a bridge, it is like the infernal River Styx, ringing the damned



and blessed of London with its ceaseless current of vehicles. I passed over with some awe, and was soon enough tested by the trials and intersections of north London. Whether the north Londoners are damned or blessed, I cannot tell: their concepts of paradise are prob-

bly rooted deeply in the Costa Brava, and they lack the redeeming air of criminality possessed by their neighbours in east London. I find it hard to accept that the genius of Charles Lamb once graced Enfield; and even harder to believe that having declared, "Thank God, I have repudiated Enfield," he removed no further than to Edmondson in the parish graveyard of which he lies now.

Archaeology The comfort of heritage Gerald Cadogan applauds conservation areas

CONSERVATION AREAS were invented to keep familiar and friendly surroundings friendly and familiar. They protect towns and villages that are the true core of the UK's national heritage, and they do that a thousand times more efficiently and at a lower cost than it takes to "save" Italian paintings which English lords acquired on the Grand Tour.

Fishing

Trout to make you tremble

An old snapshot brings back happy memories for Tom Fort

I HAVE been looking at a photograph of myself, which shows me to more than usual disadvantage. It is a flashbulb effort, taken at the end of a long day. I have horrid red eyeballs and an idiotic grin. The dead fish I am holding doesn't look too good, either. It is a small, stiff rainbow trout, with twigs and other vegetation stuck to it.

It is, in short, a photograph which self-regard and good taste suggest should have been incinerated years ago. Yet, I am attached to it because it records a precious experience. I tempted that fish in a lake near Inyanga, in the Eastern Highlands of Zimbabwe, and it remains the only foreign trout (I discount Ireland) which I have caught.

Quite why a trout caught in another land should have so much more romance and adventure attached to it than the one from the river by the front door, I do not know. But it does, and February in England is the time to be day-dreaming of fishing in far-off lands.

It requires virtually no effort of imagination for me to picture myself casting in the snow-fed waters of a lonely stream in the foothills of the Himalayas, battling with one of the monster sea trout of the Falkland Islands or Tierra del Fuego, flicking my nymph before a big brown trout in a pellucid New Zealand river, tying a tiny dry fly as I stand beside the Bighorn in Montana, or watching my rod bending in Alaska, Iceland or Norway.

My own inclinations have a more southerly bias. I am on the Chimehuin in Argentina or the Cumahue in Chile - I'm not too particular which. The common factor in each case is that I am catching rainbow and brown trout of a size and strength that make me tremble.

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DIVERSIONS

Green gringos on the Amazon warpath

Ivo Dawnay sits in on an ecological pow-wow in the Brazilian rain forest and finds himself warming to the environmentalists' arguments

ALTAMIRA, Sunday February 19

WINGING out over the Amazon city of Belém in a rickety Fokker, the passenger in the next seat is revealed to be Geraldine, a daughter of Lord Rothermere, the newspaper baron. Elsewhere on board are rumoured to be a cowboy-hatted Belgian Euro-MP, several Friends of the Earth, enlightened New Agists, sincere Whole Earthers and half a dozen environmentalist crews, probably already on overtime.

Our destination is Altamira, a dusty township of 60,000 souls, 700 kilometres to the south-west of the banks of Xingu, a major Amazon tributary and now the proposed site of a vast new \$5.9bn dam complex. Thanks to the fiercely combative local Caiapo Indians, this has become the ecological and Indian rights' movement's latest frontline. Whether it will turn out to be Custer's Last Stand for the Brazilian authorities or Little Big Horn for the Indians is what we have come to see.

With drought in the US mid-west and summer weather in London in January, the world's finger is pointing at the destruction of the Amazon rainforest as the culprit and Brasília is in ragged retreat to regroup its forces. Last year, the government prosecuted two Caiapo leaders and an American anthropologist for damaging national interests by pleading their cause to representatives of the US Congress and the World Bank. Now, with the gringo invasion imminent, the charges have been hurriedly dropped. An environmental agency has been formed and the Foreign Ministry is setting up an ecology and human rights department to fight a good public relations fight.

something about coming in peace? In the end, I can manage only a stammering: "Do you, by any chance, speak Portuguese?" It emerges that the Caiapo are not "At Home" today, so it is back to town and a chance meeting with the local left, who explain their views over the dam scheme. Waldir Gazzer, the state deputy for the radical Workers' Party, tells of the Tucuruí barrage 500 kilometres to the east - a sorry story of poisoned water, unfulfilled promises, unbuilt hospitals and schools, mosquitoes, disease and depression. "We are not against progress, but it is progress for whom?" he asks. All admit, however, that at least 70 per cent of the townspeople back the dam.

The most emotional moment of the day is missed altogether when Palakan, the instigator of this unprecedented multi-racial National Indian Meeting, returned after weeks of propaganda flying to meet his chief at the airport. Both men, in accordance with Caiapo custom, wept profusely to express their joy at being reunited. "It is perfectly logical," one informed observer explained. "They cry to express their respect at the time they have been apart."

Monday IT IS soon after dawn and the Caiapo are entertaining us with an astonishing foot-stomping ritual dance in which two village metaphors fight, but then unite. The warriors are shouting: "Coo... ee."

Suddenly, two red-painted, machete-wielding women screech a hideous chant, the factory one ignoring a monkey, her arm which is playfully tweaking her nipple. Someone asks an American expert what the words mean. With the gravity that only a full-blooded anthropologist can muster, he replies: "They are singing 'We are standing here singing.'"

As the television crew scampers about their own clumsy rituals, they themselves are coyly filmed by Caiapo warriors, expertly wielding the latest JVC video cameras. This, it emerges later, is another example of Palakan's organisational genius. The film, evidence of the tribe's international prestige, will be shown to other villages to boost morale for the fight to come. Seven cameras are owned by the Caiapo and Palakan himself never travels without one, using it to film the misery of Brazil's favelas - shanty towns - to discourage emigration to the white man's world.

The Caiapo are justly feared by many of the two dozen other tribes now arrived,



A Caiapo Indian and child during the dam conference

some of which have travelled six days to the meeting, but which have refused to camp with them for fear of attack. But their warrior tradition and tightly integrated social structure is probably why they have survived so far, though their total number - perhaps at best 8,000 - is thought to be only a twentieth of what it was 200 years ago.

Today, it is Caiapo determination, much of it attributable to Palakan, that has persuaded the Xavante, the Araras and the bead-wearing Gavião from 1,500 miles away to ignore centuries of enmity to join them in their common struggle against the brancos.

the governor's ecology boss, discreetly pleads Brasília's case in the wings - a tale of foreign debt and no resources. "The environment is not an isolated problem," he says. "There are 220,000 Indians, but in the largest favela in Rio de Janeiro alone we have 300,000 extremely poor people and 10 per cent of them are armed."

In the afternoon, the pro-dam movement mounts a formidable show of strength with a parade of poster-covered trucks - "Dam yes, gringos no," and farmers on horseback. "It's just like cowboys and Indians," Geraldine comments later, "only for real." We are worried about her. She is threatening to don Indian warpaint and it is said to take two weeks to wear off.

Tuesday, lunchtime

ALL the gringos have got broad tanned, and the opening of the set-piece confrontation between the Indians and Electronorte, the dam-building authority, the good guys wipe the floor with them. Better still, the impassioned speeches and choreographed ritual violence made television worthy of a John Ford movie.

But just a few of us appear like Doubting Thomases at the feast. Is it really such good news that a project aimed at supplying energy and work to Brazil's starving millions should be seen off by the admittedly persuasive cause of what the authorities claim will be the displacement of just 344 Indians?

There is a lot of talk about alternative energy sources and power saving measures, smaller dams and other sites. But even Stephen Schwartzman, of a Washington-based Environmental Defence Fund, concedes that the dam appears technically efficient and would supply very low-cost power. Like everyone, however, he remains sceptical at Electronorte's promises to look after local ecology, and their alleged failure adequately to consult the people certain to be affected.

Back in town, Wanderlan de Oliveira Cruz, organiser of yesterday's pro-dam rally, confesses that he is sceptical, too. Altamira was built on the hopes of the great migrations in the early 70s when the then president promised that the Transamazônica Highway would offer "a land without men, for men without land."

As the conference opens in a concrete community centre, Fernando Mesquita,

of the Body Shop is here, full of fiery rhetoric and looking for plants. "I don't think this is a dress rehearsal," she warns. "At 46, I think we have only got so much time." Sting, the pop star, has also arrived. But Tam Dalyell is reported to be stuck at Rio airport and, oh dear, Geraldine ignored our advice.

Wednesday

XAVANTE warriors with pudding basin hairstyles are hogging the coffee stall tables outside the community hall. They are learning our manners.

Subversive rumours are circulating that our savages are more clever than noble. A Caiapo village chief, improbably known as Colonel Pomo, who is famous for his feather-duster headdress, is said to own a private plane. Local pro-dam Altamirans hint knowingly that all the tribesmen are doing is upping the ante for compensation when the dam inevitably comes. There is no evidence of this, but the black propaganda serves its purpose.

Fernando Gabeira, the leader of the Brazilian Green Party, who once kidnapped a US ambassador during the military years, makes a good stab at convicting the sceptical backs by claiming that Electronorte has badly overestimated future energy demand and its own resources. But it is only when Allan Poole, an affable American with years of experience in Brazilian energy planning, puts a pragmatic, non-ideological case for a five-year delay that the remaining doubts are laid to rest.

Thursday, breakfast

AT THE Lisboa Hotel, Ms Roddick and a man who makes films about tropical medicine are discussing voice-overs. Reuters beat Associated Press to the coffee table. The Daily Telegraph is still in bed. Soon we will all be gone and Altamira will resume its normal lethargic rhythm.

But something hard to pin down, perhaps even important, appears to have happened here this week. For the first time, the collective voice of Brazil's Indian nations has been heard loud and clear across the world. To their surprise, the suspicious residents of Altamira have found out that gringos are, in the end, much like them - if richer. And a real debate has taken place about an issue concerning the whole world. After 21 years of military rule, Brazilian democracy is not merely taking over, but seems in rude good health. It was a pity that Brigitte Bardot failed to make it. But Tam Dalyell has arrived with two cameras for a stranded ABC crew. Unfortunately, neither works.

England had the world at its feet but . . .

Tom Norris explains why the consequences of a decision taken 500 years ago are felt today



Christopher Columbus

FIVE hundred years ago this month, the English government took a decision of enormous consequence. It declined to fund a modest scientific experiment. The scheme's proposer pointed out its long-term promise - to revolutionise patterns of sea communication and so enable England to dominate world trade. He could not point out, because he did not yet know himself, that it could lead to the discovery of a New World which England could have been licensed to annex.

The proposer's name was Christopher Columbus. The English government which took that disastrous decision was, at its intent, John Morton. Like Prime Minister Margaret Thatcher, he was born in the provinces to a family of modest means. Educated at Oxford he, too, trained as a lawyer, aimed at power and, once there, was remarkably difficult to shift.

He survived in government through the reigns of Henry VI, Edward IV and Richard III (a remarkable feat) and engineered the succession of Henry VII and the Tudor dynasty. He remained the latter Henry's Lord Chancellor (the medieval equivalent of Prime Minister) for 13 years, a period not yet matched even by Thatcher, and became a cardinal in 1493.

able: the gain was unknown and speculative; the scheme was in competition with many other calls for spending; the government should fund only what it had to; ergo, it should not fund Columbus.

IF YOU ARE among the several thousand players who compete in league chess in Britain's cities, you might well have had games settled by adjudication. Many inter-club matches start half-way through the evening and finish after two or three hours to allow for last trains home and impatient hall caretakers. It is too awkward to arrange a second session, so the normal procedure is for the game to stop somewhere between moves 30-40 and for the result to be judged by an independent expert.

cautious about highly booked openings which are analysed to move 20 or beyond. Conversely, the weaker side should aim for conventional variations like the closed Ruy Lopez, where you can progress a good part of the way towards the haven of move 30 while remaining in the shelter of Batsford Chess Openings or ECO.

Chess Finally, remember the appeal procedure. Adjudicators are not infallible, and successful teams will often ask their top board to have analysis and conclusions prepared in case a decision has to be challenged. It is good experience to analyse your own adjudications in depth with the aid of a chess computer. Motivation to find a win or draw aids insight, and you might even have the satisfaction of a successful appeal and proving the expert judge wrong.

Bridge King. Declarer ruffed and drew the last trump, then led the 10 of hearts. In the four-card ending, West held four spades to the ace; dummy held knave and nine of spades plus queen and 10 of diamonds; South held three hearts to the eight plus the club queen; and I held spade five, heart nine, ace and seven of diamonds.

trumps and South went to three. West led the heart knave and won with the king. The diamond king was cashed and the knave was finessed, losing to the queen. West was duped but he found a good return in the king of spades. South allowed this to win - brilliant.

March 10th National Theatre 01-928 2252. The Company of Rente Oyegama present an extra performance 11pm Cottesloe Seats £15. NT actors vs Theatreports: The original improvisation game 6pm Lyttelton £2 plus donations CELEBRITY JUDGES

Chess. If you have one of those, the rule of thumb is to claim a win even if you don't think you really have more than a draw. It is likely that the other side will also claim a full point and be tempted to award a draw as the road of least resistance. This technique has the drawback that it costs the fee for an incorrect claim, so sophisticated match captains may be able to pre-empt events by direct negotiation.

Chess. PROBLEM No. 762. White mates in seven moves against any defence (by F. Anderson, 1931). A seven-mover sounds hard, but White makes exactly the same sequence however Black replies, so it becomes a test of your skill in knight manoeuvres. Solution Page XXIV Leonard Burden

Bridge. At game-all sitting South, he was dealer and opened with one no-trump. North said two clubs, South replied two diamonds, North bid two no-

E. P. C. Cotter. To Advertise on the ARTS and DIVERSIONS pages of the WEEKEND FT please ring Julia Carrick on 01-489 0029 Alison Nunn on 01-329 4332 or Jane Emma Pefferles on 01-489 0033



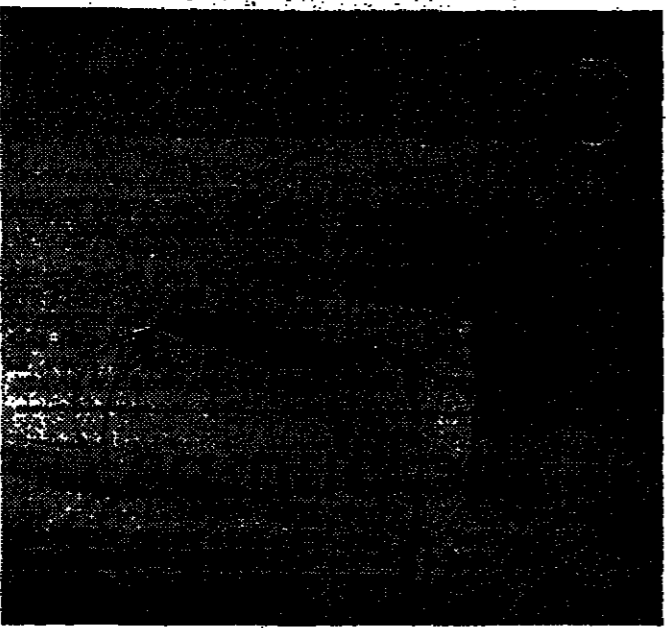
HOW TO SPEND IT

Looking for good craftsmanship? Want to buy the best opera glasses or a quality kitchen worktop? Lucia van der Post has the answer

The look that tells

BETWEEN THE chintzy of the country house set and the black leather and chrome of the aggressively modern, there is the kind of gap that sets clever marketing...

backwards but yet offers comfort and decorative appeal and is absorbed easily into real lives. It's the lack of just such a look that sends hundreds of the young scurrying to the antique shops and auction houses...



André Dubreuil's wrought-iron chair



Julie Wilson Dyer Gough in her shop-cum-gallery with a selection of work

Here, those who are tired of the mass-produced and the machine-made - who are searching for something special and unique, for something both decorative and functional - will be able to take in a wide range of work...

Julie Wilson Dyer Gough isn't, of course, the first to try to find a wider market-place for fine craftsmanship, but she is doing it with rare commitment and panache...

der around and a good source of presents (there are small bowls and other objects at prices starting as low as £20) as well as substantial pieces of furniture. I like particularly

the work of André Dubreuil - his fine, highly decorative metal furniture shows plainly that it is possible to speak a visual language that is modern and, satisfyingly but

not superfluously, decorative. Look out, too, for Sarah Simpson's exquisite paper bowls for woodwork by Anthony Bryant, for glass by Anna Dickinson,

Come on, my old china

A FEW weeks ago I wrote about Chinamatch, a service recommended to me by a satisfied reader. Chinamatch has since moved, so anybody wishing either to buy or to sell china that is no longer in production should write to the new address:

on that new denim, you can indulge in some chic Italian t-shirts tended by equally chic Armani-clad waiters. For the opening of the grand Giorgio Armani Labels takes place next month in Sloane Street. Watch this space.

Emporio Armani has arrived with much fanfare and a personal visitation from the maestro, Giorgio Armani, himself. At the flagship store at 191 Brompton Road, London SW1, will be the complete Emporio Armani collection - Armani fans will already know that this is the least expensive (but still by no means cheap) end of the Armani range.

The response to our Okavango Wilderness Safari has been tremendous and letters, cheques and requests for detailed itineraries came winging their way from Gloucestershire and London, Paris and Geneva, South America and Portugal. Botswana is one of the last great wilderness areas of the world not yet over-run by four-wheel drives and walkie-talkies and our little group will, I believe, find it a very special experience. We are already thinking of running a second one. Anybody who couldn't make those particular dates and might be interested to go at another time should write to me at the FT. James Ewart of Grenadier Travel and I will see what we can do. The Zimbabwe safari still has room for one traveller - anybody interested should let me know immediately. The dates are September 15 to October 1.



A SPLENDID way of giving new life to a rather dreary set of kitchen cabinets is a new worktop. Junckers is a Danish company now operating in Britain which specialises in wood worktops and floors. It offers natural woods - beech or oak - but they are treated in a variety of ways, giving lots of different colour tones. There is the white pigmented beech featured in this photograph, and there are golden honey tones depending to the darkest of all, the sylvan beech. All the wood is treated with oils, all are water-resistant and hard-wearing. If anything frightful should happen - for instance, too many cutting marks on the surface or burn marks - then the spots can be sanded by hand and re-oiled and finish up looking as good

as new. Only very competent do-it-yourself carpenters should consider adding new worktops themselves. Anybody less confident should try to find a handy, skilled carpenter who should be able to fit the worktops easily and neatly. Prices are around £82 per linear metre. Junckers has an excellent technical service division which is happy to answer all questions by phone (0876-517-512). In about six weeks, it will be bringing out a leaflet which will tell you everything you ever wanted to know about wood worktops. These (and, of course, the wood for the flooring) can be bought direct from Junckers, Wheaton Court Commercial Centre, Wheaton Road, Witham, Essex CM8 3UJ.

A sharp eye on the opera



Illustration: Anna Pogrebnik

NOT ALL OPERA, of course, is for the big league spenders; there are those who queue hours for the gods, and those who enjoy magnificent evenings in venues far less costly than Covent Garden. But, however much it costs and wherever you see it, an evening at the opera is always a special occasion and well worth taking trouble over.

High on my list of priorities these days are opera glasses. Those who arrive at the Royal Opera House, Covent Garden, without any might like to know that the Opera House shop in St James Street is open until 7.30 pm (when most performances start) and it sells several different models including disposable ones (yes, really) that do work very effectively. Made from card paper with a plastic lens in the middle, they retail at just £1.95 and they are also available in the foyer if you arrive too late for the shop.

But if you're a frequent opera-goer (or, indeed, a frequent viewer of the ceilings of Renaissance chapels or lofty architecture), you will want a pair of your own. How, then,

do you choose? Given that you can pay anything from about £45 to well over £200 (and even £350), it is important to make sure you buy the right ones. The main points of difference are size, weight, finish and optics - with optics and weight probably being the most important for serious opera-goers.

Higher-priced models do not usually give you optics of a superior quality. Much of the increase in price is because they are larger and have a more ornate finish, both of which may well be characteristics you could without.

David Rauch who runs Century Optical, a company specialising in supplying all manner of opera glasses to the retail trade, tells me that the magnification span varies from 2.5 times to 3.0 times, with the latter clearly being the one to aim for. The two main manufacturing countries are Japan and Germany and, generally, the Japanese models tend to be more showy and the German more restrained. Not only are the German designs more restrained to look at, in general they are still assembled largely by hand and have

sharper and clearer optics.

The very best optics of all, it appears, are to be found in a Zeiss model seen rarely. It sells for about £350, weighs a ton, is very ornate with a dark brown casing, and generally isn't very practical. But, if seeing is all that matters this is the model to go for (only about 10 a year are sold in this country and, if you did want a pair, a good stockist such as Asprey's or Garrard's would order it for you).

Most good pairs vary in price between £100 and £150 and David Rauch thinks probably the best buy overall is the Herbol & Renss design at £170. He doesn't like the finish (black snakeskin) but it is an old, well-established design, is very light (which means it can tuck easily into pockets) and comes in a black zippered leather pouch. It gives 2.5 magnification but has great optical clarity. (Magnification is not the only yardstick - clarity is important, too, so try them all).

A good bread and butter model is the Red Burgundy by the Japanese firm of Carton - with 3.0 magnification and a rather ornate case, it sells at about £90 in Harrods and Sel-

fridges.

Lorgnette opera glasses, although intrinsically not very practical, seem unaccountably popular. A model by the Japanese firm of Carton, highly embellished and really not very pretty, is a hot seller at about £130. Best value of all in our view, though, is a neat, small, plain black model by Eschenbach with 2.5 magnification. Most of the established sellers of opera glasses - Asprey's, Garrard's, the Royal Opera House, Fortnum & Mason, Wallace Easton - sell it for about £55 but a small shop on Ludgate Circus, Edward Marcus, is selling it for £45.

If you want magnification of 2.8, the next Eschenbach model sells at £130, while a rather vulgar-looking mother-of-pearl with excellent optics and 3.0 magnification sells at £200. Good shops out of London are J. Lizars of 101 Buchanan Street, Glasgow and of 6 - 8 Shandwick Place, Edinburgh, as well as the London Camera Exchange, 13 Cheap Street, Bath. Anyone with questions about opera glasses is welcome to ring David Rauch on 01-451-1351.

Cookery

Comfort for mad March days

Philippa Davenport searches out gutsy, no-nonsense recipes

B LUSTERY February and mad March days call for comfort. This is the time of year I associate with hot water bottles and reading in bed. It's the time for tea, toast and Gentleman's Relish by the fire, and cosy reunions with old friends.

I want to give and to go to supper, not dinner parties. We may gather round the kitchen table, perhaps, and tuck into good honest bourgeois or bistrot-style cooking rather than refined and pretty derivatives of nouvelle cuisine. What we need now is no-nonsense warming dishes with gutsy flavours that sit fair and square on the plate and leave you feeling well-upholstered.

The sort of satisfying food that sums up exactly what I am after is pigeon. They may not be so classy as game, these portly little birds, but they are meaty and gratifyingly rich in flavour. One tried and favourite way to serve pigeon is in a pudding or pie. I suggest you include the breast meat only (use the rest of the birds and a generous slug of port to make the gravy), mixing it with fat bacon rolls, marble-sized balls of best sausage meat and shaggy black mushrooms. Pack the mixture into a suet crusted basin or top it with puff or filo pastry.

A course purée of lentils goes well with such a pudding or pie: the meaty taste and the "twenty" texture makes a pleasing change from mashed potatoes. For a second vegetable I would choose the humble cabbage, despised so often and so unfairly - but so easy to cook well. What could be simpler than a large Savoy or a January King? Steam for about 15 minutes, blot the wedges dry carefully and anoint them with a trickle of melted butter. Here are some alternative recipes using this well-matched

trio of good, honest ingredients to bring comfort and satisfaction to suppers.

PIGEONS WITH LENTILS Two plump pigeons; 1/2 lb whole green lentils; one large onion; the juice and zest of half an orange; generous 1/2 pt each red wine and stock; a little butter and seasoned flour; coarsely-chopped watercress.

Rinse the lentils under a cold running tap. Put them into a pan with the chopped onion and cover generously with cold water. Bring quickly to the boil and simmer for 15 minutes. When tender, drain, saving the liquid, and put the lentils and onions into a lightly-buttered flameproof casserole.

While the vegetables are cooking, split the pigeons, dust them with flour and brown them thoroughly in a hot frying pan. Pour on the wine. Let it bubble up and cook for five minutes until reduced by about half.

Season the lentil and onion mixture with salt, pepper and finely-grated orange zest, and half-bury the pieces of pigeon among it. Add the stock and orange juice to the frying pan and bring to the boil. Pour the hot liquids over the pigeons, then bring the contents of the casserole to bubbling point on top of the stove. The mixture should be quite sloppy at this stage: add a slurp of the reserved lentil water if it looks at all dry.

Cover tightly and put the casserole into an oven heated to 350 F/180 C (gas mark 4). Reduce the temperature immediately to 325 F/160 C (gas mark 3) and cook until the ingredients are deliciously tender, one to 1 1/2 hours. Check the mixture occasionally and add a splash more lentil water if necessary. Season and garnish to taste before serving. A stir-try of

leeks or the buttered cabbage pudding given below go well with this comforting dish.

BUTTERED CABBAGE PUDDING (serves four to six)

One January King cabbage with plenty of good outer leaves, weighing about 2 1/2 lb; one large onion and three garlic cloves; 1/2 lb butter and three tablespoons stock; 1 1/2 teaspoons cumin seed, reduced to a coarse powder; about two teaspoons flour.

Strip off about 10 fine outer cabbage leaves. Blanch them, blot dry, cut out the coarse central ribs and reserve. Shred the rest of the cabbage finely and set aside separately.

Chop the onion and sweat it in the butter in a large pan for seven or eight minutes. Add the chopped or crushed garlic and the spice (caraway can replace the cumin if liked, or juniper or chopped fresh thyme). Then add the shredded cabbage and stir for a minute or two to coat with the fat.

Season with salt and pepper and sprinkle on the stock. Cover and cook over a very low flame for about 30 minutes until the cabbage is tender and considerably reduced in bulk. Stir quite often to check against sticking and shake the condensation from the lid each time you lift it.

When the cabbage is ready, stir in a teaspoon or two of flour to mop up any remaining moisture and season lavishly with salt and pepper. Leave to cool uncovered so that evaporation continues. (I usually do everything up to this stage well ahead.)

Use the blanched cabbage leaves to line a well-buttered pudding basin. Overlap them well so there are no gaps. Spoon the cabbage filling into the leaf-lined basin, packing it down firmly. Cover with the

remaining leaves and tie down with buttered foil. Steam for 45 minutes or so until thoroughly hot right through and unmould.

CASSEROLED PIGEONS WITH CABBAGE & CABBANOS (serves four)

Two plump pigeons; about 6 oz cabbanos (or chorizo or other spicy sausage); one Savoy or January King cabbage weighing about 1 1/2 lb; one large onion, one carrot and one celery stalk; orange zest, bay and thyme; 8 fl oz good chicken stock plus four tablespoons dry sherry; a little oil, butter, and well-seasoned flour.

Butter the base and sides of a large casserole lavishly. Quarter and core the cabbage and put the wedges into the casserole. Slice the sausage, carrot and celery quite thickly. Sprinkle them over and around the cabbage and season with plenty of salt and pepper, some thyme, a bay leaf and a few pinches of orange zest.

Split the pigeons in half, dust them with seasoned flour, and seal and colour them in a non-stick pan barely flmed with hot oil. Transfer to a casserole, arranging the joints flesh-side down between the wedges of cabbage. Chop the onion, fry it briefly to colour it a little and scatter it over the pigeons. Add the liquids to the pan, bring quickly to the boil and pour into the casserole. Lay a sheet of buttered greaseproof paper directly on top of the ingredients, cover with a well-fitting lid and cook at 300 F/150 C (gas mark 2) for one hour.

Reduce oven temperature to 275 F/140 C (gas mark 1) and cook for a further 1 1/2 hours or so until the ingredients are meltingly tender. (This is a good-tempered dish which will not spoil if cooked for a bit longer than necessary.) Check the gravy for seasoning.

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MOTING

Ford's new Fiesta is a class above rivals

And, says Stuart Marshall, it's been introduced at a time when the others are showing their age

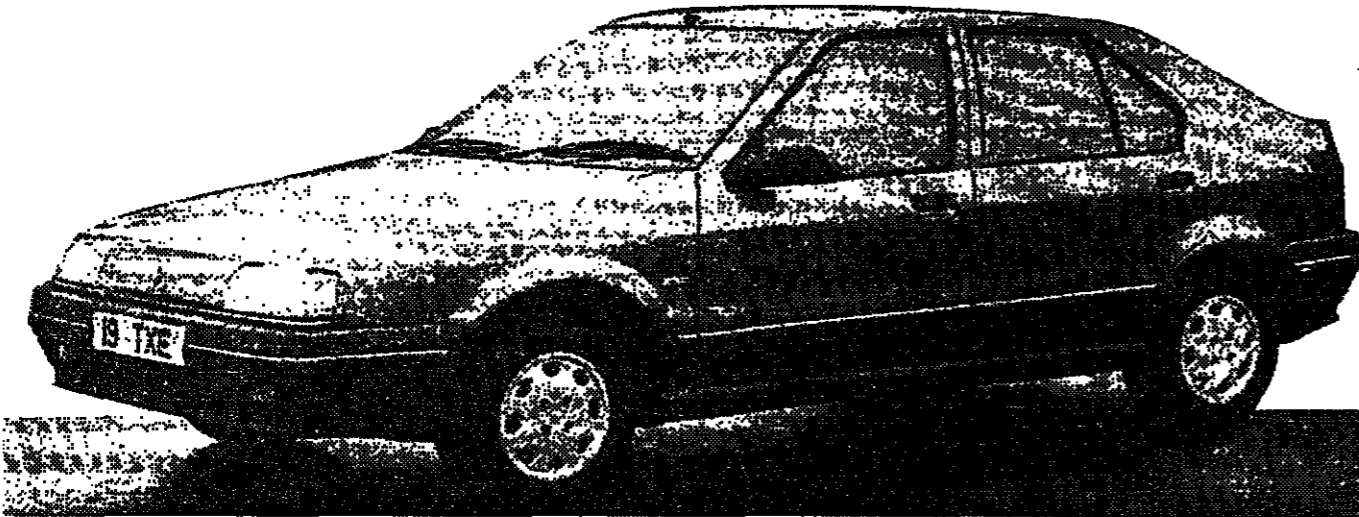
DOUBT THAT the new Fiesta is a potential European Car of the Year 1990 although time will tell. But British buyers of small family hatchbacks may well decide it is their car of the year because Ford seems to have got it exactly right.

bigger car than it was, with generous seats and plenty of leg and elbow room. The Ghia is the top model and features include power windows, central locking and a remote tailgate release. But I think it is a pity Ford decided against a sliding glass sunroof, the runners, it explained, would reduce headroom.

sporty XR2i. Ford sees the new one, which has fuel injection, as a contender in the cult-car class, a rival for cars like the Peugeot 205 GTI.



The new Fiesta Ghia: British buyers of small hatchbacks may make it their car of the year



RENAULT'S Escort-sized 19 went into British showrooms yesterday at aggressively keen prices, ranging from £6,520 for the TR three-door to £9,520 for the TXE (pictured). The 19, which has been selling well in left-hand drive markets since last autumn, promises to boost Renault's market share in Britain as it takes

over from the dull 9 saloon and 11 hatchback, which is not much more attractive. The 19 comes between the Fiat Uno and Tipo in size. Some of the eight versions of the 19 undercut the mid to upper range of Uno models and the "starter" 19, the TR three-door, is more than £1,000 cheaper than the least

expensive (although five-door) Tipo. Prices of the new Fiesta (this page) have not been announced, but the 19 is likely to be as competitive with Ford's new supermini as it is with family hatchbacks in the next size class.

options: a pair of 1.4-litre units of 60 and 80 horsepower and a 92-horsepower, 1.7-litre, all suitable for unleaded petrol. The diesel is a 1.9-litre developing 65 horsepower. A high-performing 1.6-valve, fuel-injected petrol engine will be added soon. Power steering and anti-lock brakes will be available on certain models.

automatic transmission will be available with various capacity petrol engines. Ford has been very clever (or fortunate) in introducing the new Fiesta at a time when most of its competitors are showing their age. The obvious ones are the Citroen AX, Fiat

Uno, Nissan Micra, Peugeot 205, Renault 5, Austin-Rover Metro, Vauxhall Nova and VW Polo. The Citroen AX is the youngest - it came to Britain less than two years ago. All the others have been around for very much longer: the Metro

for eight years, the Uno, Micra, Peugeot 205 and Renault 5 for between four and five years. A face-lifted Uno is due to be shown at Geneva in two weeks time and it would not be surprising if the spectacularly successful Peugeot 205 (the car Ford clearly set out to beat

with the Fiesta) had similar cosmetic treatment soon. But Ford can relax for the time being. Its new Fiesta will lead the field as the supermini with interior space and ride comfort standards close to those of cars one class higher.

A diesel shock at the pumps

THE TERM "green petrol" (meaning unleaded) has entered the motoring vocabulary. So it came as a shock to a reader when her husband borrowed her Golf GTI, used a green-painted pump at a Texaco station in Roehampton Lane, south-west London, and was told by the cashier he had just filled it up with diesel.

meaning unleaded - I thought so, too. So why, I asked Texaco, did it have green diesel pumps at its filling stations? Because, said Texaco, they had been painted that colour when its last pump livery scheme was introduced more than two years ago. At that time, unleaded petrol was not available generally in Britain. Hardly any drivers (other than the odd tourist with an exhaust catalyser-equipped car) wanted it and the term "green petrol" had not even been thought of.

My correspondent said she had always associated diesel with black pumps and unleaded with green ones, so wasn't Texaco's policy extraordinary? Not at all, Texaco maintained. Some of the competitors used colours other than black for diesel pumps and, in any case, there was no such thing as an industry standard colour scheme for pumps.

Shouldn't there be? I think so. And so would anyone who has put in diesel when they meant to fill up with unleaded. Or even, I suppose, with unleaded when they meant to tank up with diesel. I will be happy to pass on to the Kemps any advice from readers who have met and solved a similar problem.

Too big to drive

CAN ANYONE help a reader find a suitable car for his 7 ft-tall (213.5 cm) son who wants to start learning to drive? Leonard Kemp of Richmond, Surrey, is no modest himself at 6 ft 5 ins (195.5 cm) but manages in a Vauxhall Astra with tilt-adjustable steering. However, it won't fit his son. His thighs hug the steering wheel. My suggestion was to try a smaller-diameter sports steering wheel in the Astra - they are available widely from

motoring accessory shops. I am 6 ft 2 in (188 cm) and find that tall, thin cars with upright seating positions - like the Fiat Uno, Honda Civic Shuttle and Nissan Prairie - are more accommodating to the long-legged than lower-built cars. But 7 ft? I do not know.

S. M.

MOTOR CARS

JAGUAR AUTHORIZED DEALERS GUY SALMON JAGUAR. 1987 (E) XJS 3.6 Auto. Silver/saville, many extras, 16,000 miles £25,950. 1987 (E) XJS 3.6 Auto. Racing green/charley, 9,000 miles £22,950. 1987 (E) XJS V12 Jubilee. Claret over pearl white/dogskin, wooden steering wheel, gear knob and centre console, boot and roof spoilers, twin headlamps, Macho alloy wheels, 24,000 miles £22,950. 1987 (E) XJS V12. Black/Magnolia, sunroof, 10,000 miles £22,950. 1986 (C) XJS V12 Jubilee. White with cherry red hide piped white, full body kit, ESR, Elec seats, twin headlamps, 29,000 miles £22,450. 1983 (A) XJS HE. Claret/black, CC, 1 owner, FSH, 30,000 miles £14,950.

MERCEDES BENZ AUTHORIZED DEALER Lancaster Hertford MERCEDES-BENZ. 1986E Auto 85C Thistle Green - beige cloth, electric sunroof, front arm rest, 30,000 miles £13,495. 1986 2.6 87E Blue Black Metallic - grey cloth, electric front windows, head lamp wash wipe, air bag, 16v boot spoiler, front arm rest, leather steering wheel, 14,500 miles £20,995. 230E (123) 85C Signal Red - beige cloth, front arm rest, electric windows, electric sunroof, rear head rests, 37,500 miles £11,995. 250TD Auto 87E Arctic White - grey cloth, auto, ABS, electric sunroof, headlamp wash wipe, rear facing seat, electric windows, tow bar, 33,500 miles £19,995. 300SE 86D Diamond Blue - blue cloth, auto, alloy wheels, electric sunroof, 32,000 miles £22,995. 300SE 88F Smoke Silver - light brown cloth, electric sunroof, rear head rests, alloy wheels, cruise control, outside temperature gauge, 9,000 miles £29,995. 280SL 1985C Classic White - Henna cloth, cruise control, alloy wheels, 34,400 miles £24,995. 420SL 86C Signal Red - cream cloth, ABS, alloy wheels, boot spoiler, 31,780 miles £29,995. 500SEC 87E Astral Silver - blue velour, rear head rests, alarm, 5-spoke alloy wheels, 13,200 miles £45,995.

CLASSIC CARS INVESTMENT. 1956 300SL Gullwing, Burgundy, P.O.A. 1982 Alfa Speed 25, Racing Body, £60,000. 1982 DB4 MkII, Original, last owner 12 years, £42,500. 1989 Aston Val, Delivery miles, Black, £125,000. 1970 E-Type Fixed Head, Ex-Columbia, Pirenos, £19,995. 1979 Mercedes 460SEL G.S. Silver, £19,995. 1975 Ferrari 400L Auto, 40,000 miles, £35,995. 1978 Aston Valente, 19,000 miles only, Black, Tan hide, £79,995. 25 other Classic Cars in stock. 26 North Hill, Highgate, LONDON N6 4GB, Tel: 01-348 5151.

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JAGUAR Ahead LEAMINGTON SPA (0926) 833181. 88 F. XJR-S Celebration No 100, Tungsten/dogskin, 17,000 miles £25,995. 88 F. Sovereign V12, Arctic/saville piped in vis, ESR, Floggs, alarm, sport exhaust and quick-shift CD, 7,000 miles £31,995. 88 C. Sovereign 4.2, Bordeaux/dogskin, TWR sport bodystyling and wheels, HWV, TiComp, 43,000 miles, one owner, S & S by us, £17,750. 87 E. Daimler 3.6 Solen/saville, 19,000 miles, one owner, FSH, £27,495. 88 E. Sovereign 3.6 Solen/dogskin, 22,000 miles, S & S by us, £25,495. 87 D. Daimler 3.6 Steinbeige/dogskin piped in buckskin, 17,000 miles, one owner, FSH, £24,995.

B. & K. Thomas The Officially Appointed Dealers for Nottinghamshire. 800 SL, 1986 (D), metallic green, air cond, r. seat, radio, hub, 26,000 miles £24,950. 420 SL, 1987 (D), arctic white, red leather, air cond, r. seat, radio, hub, 26,000 miles £23,985. 300 SL, 1987 (D), arctic white, cream, hub, wash/wipe, radio, hub, 26,000 miles £23,985. 420 SE, 1988 (F), arctic white, grey, car, orig. hub, whitewall, r. alloy, walnut wood, radio, air cond, car phone, 5,500 miles, hub, £37,250. 300 SE, 1988 (F), arctic silver, alloy, hub, whitewall, r. alloy, walnut wood, radio, air cond, car phone, 5,500 miles, hub, £37,250. 300 TE, 1987 (D), diamond blue, air, hub, air cond, radio, hub, alloy, hub, 26,000 miles £24,995. 300 E, 1988 (F), smoke silver, air, cond, alloy, abs, hub, whitewall, alloy, radio, hub, 10,000 miles £24,995. 280E, 1988 (F), blue/black, alloy, orig. hub, whitewall, radio, hub, 8,000 miles £22,995. 190 E, 1988 (F), metallic blue, alloy, air, abs, hub, whitewall, radio, hub, 6,200 miles £18,250. 300 1987 (D), grey, air, hub, whitewall, radio, hub, 19,000 miles £14,490.

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RANGE ROVER AUTHORIZED DEALER. Range Rover Vogue SEI Automatic 1986 D, 23,000 miles, £19,250. Range Rover Vogue SEI Automatic 1986 D, 23,000 miles, £19,250. Range Rover Vogue SEI Automatic 1986 D, 23,000 miles, £19,250. Range Rover Vogue SEI Automatic 1986 D, 23,000 miles, £19,250.

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SAAB AUTHORIZED DEALERS. 1988 (E) Jaguar XJS 3.6 (Auto) Arctic with Saville. Extras include: ESR, CC, HWV, trip computer and heated front seats. 10,700 miles £24,950.

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BOOKS

The return of Mammy's boy

Anthony Curtis on an exhaustive study of singer and vaudeville Al Jolson

IN HIS lifetime Al Jolson was always staging comebacks. The greatest was in October 1948, when the film The Jolson Story opened at Radio City Music Hall...

JOLSON: THE LEGEND COMES TO LIFE by Herbert G. Goldman Oxford £14.95, 411 pages

of his kind, will prompt yet another comeback for readers who, as the author is the first to acknowledge, Jolson required a live audience to elicit his ability to give himself body and soul in a performance...



derived from the tradition of the Minstrels, whose popularity in 19th century America in both North and South was universal. It declined only after the civil war, gradually being replaced by vaudeville, whose form and content (song, cross-talk, virtuoso turns, topical satire, chorus numbers, dance routines, sketches) were a legacy of the Minstrel's shows...

Hard lessons in life

David Thomas reviews the battles and beliefs of a distinguished liberal educationalist

THE ROAD TO WINCHESTER by John Thorn Weidenfeld & Nicolson £14.95, 195 pages

A RADICAL is the last person one would expect to find occupying a senior position in a great English public school. John Thorn's autobiography tells the story of that unlikely character...

intellectual powerhouse. Thorn has a nice line in ironical self-deprecation, seen in his tale of how little he needed to know to win a First in History at Cambridge. However, the ultimate impression left by his book is rather sad. Looking back, he questions the wisdom of many of his doubts about the previous order...



John Thorn: a believer in academic excellence

Fiction

A parable in disguise

- THE MARQUIS OF BOLIBAR by Leo Perutz translated by John Brownjohn
FLUTE by Shona Ramaya
AN ELIGIBLE MAN by Rosemary Friedman
THE SUGAR MOTHER by Elizabeth Jolley

wish, rather than a vanquishing by external forces. It is an interesting notion, although one Perutz might have preferred to play down in the light of subsequent events...

brother with a naach- (dancing) girl, the mistress of a prince. It sounds steamy but is very nicely done, a quiet, thoughtful look at a long vanquished world, and a debut that promises more to come...

Shona Ramaya: an elegant literary debut. Shona Ramaya's Flute is an elegant first novel set in British India in the early years of the century. The Countess of Ravenspur arrives in Delhi on a prolonged visit, accompanied by her son and followed by her somewhat louche stepson...

the mother and daughter next door, who move in with him and Cecilia can't have. Edwin fully cooperates, with satisfactory results. It's a quirky story, a little far-fetched, but rattles along smoothly, and with plenty of wry humour along the way.

Nicholas Best

Crime

- DEATH MASK by Jane Dentinger
THE VULGAR BOATMAN by William G. Tappley
JOCELYN O'ROARKE

tear down the theatre. The murderous activity puts Bernard Shaw in the background (though the author says some things about the world's fortune tellers, O'Roarke's ex-lover, policeman Phillip Gerrard, plays a minor role and seems to be written out of the actress's life. Too bad, for her and for us...

William Weaver

Crying for a country

MARY BENSON is a charming South African lady of a certain age who lives in London and writes rather good books, never dispassionate about her homeland, she is in exile. This, her autobiography, is fascinating, moving and innocent of ideology...

- A FAR CRY by Mary Benson
THE DIAMONDS AND THE NECKLACE by Richard West

greatest hero, Bram Fischer, the Communist Afrikaner lawyer, on the run for 200 days and meeting her for picnics under the noses of the security police. And Luthuli and Mandela and Sisulu - they are all men, of course, though Ruth First gets a mention - and the playwright Athol Fugard, her 'brother' who says to her at one point, 'It's to do with complexity, the awesome nature of being a true lover of South Africa...'...

spondents a bad name. It is a ramble around the Republic, opinionated, lazy, and several years out of date. Dick West seems mainly concerned now for the Cape Colonies - in the 1960s, he says, he knew only the Transvaal, 'where the apartheid system struck me as weird and offensive rather than cruel' (a curious distinction). His explanation is that 'blacks who had never possessed the vote, or perhaps wanted it, were set out to be disenfranchised by law'...

J.D.F. Jones



Václav Havel: Czech playwright and prisoner

Self-portrait of an uncaged spirit

LETTERS TO OLGA: JUNE, 1979 TO SEPTEMBER 1982 by Václav Havel, translated by Paul Wilson

VACLAV HAVEL is perhaps the best-known living Czech on two counts: as a playwright with a subtlety all his own and as a founder member of Charter 77, the group founded in defence of human rights in his country. In 1979 Havel was sentenced to a year in prison and a half years in prison for 'subversion', and he has just been sentenced to a further spell of nine months. During every week of his earlier sentence he wrote to his wife Olga, and these letters make an unusual and gripping document of our times...

came to it 'like playing with fire', but here is the epitome of the fussy, non-bohemian personality so often observed in the great artist. Like prison itself, chaos and caprice, he writes, are 'boring'. Evidently it was a strain to keep hold of himself and to ensure that he was never surprised by some sudden quirk or weakness of character. So he classified his moods in himself, more than half melancholic, and discusses them at length. Then he expands to the central question of how a man should live in this world; it belongs to 'the order of Being'. To take his place within this rightful order, a man has to accept responsibility for his actions. Doing so, he acquires identity. Not to be responsible, not to form one's own identity, is to belong to 'the order of death'...

David Pryce-Jones

Roth: reality as fiction

PHILIP ROTH began his autobiography after a physical and mental breakdown which destroyed his confidence as a writer and blurred the lines between his fiction and his real life. 'Exhausted with masks, disguises, distortions and lies,' he returned to his past, to the source of his fiction, to 'tank up on the magic blood' to be reborn...

THE FACTS: A NOVELIST'S AUTOBIOGRAPHY by Philip Roth

her to become a destroyer of every gentle human virtue esteemed by the defenceless Jew.' Her ability to lie and manipulate, to entangle him in her paranoid fictions, inspired him to write even as it ruined his life...

ties could have also produced the lawyer for the underdog who he originally set out to become. Roth's refusal to embellish, his piling down of the events of his life, may be the ultimate fiction. This is Zuckerman's criticism and Roth gives him the last word. His assistance as Roth's character, alter ego, counterforce, is threatened by this pulling aside of the veils which clothe him. 'Don't publish, you are far better off writing about me than accurately reporting your own life...' I am your permission, your indiscretion, the key to disclosure...

Wendy Brandmark





SPORT

Bruno: 'Britain's biggest disaster since the Titanic'

IN THE everlasting night-time of the Las Vegas casinos, the giant walls of video screens in the sports-betting parlours will tell you that tonight's challenge by Frank Bruno for the heavy-weight boxing championship of the world is measurably less substantial than a puff of desert wind. In the eyes of the Vegas bookies, Bruno is deadlier than Geronimo.

The odds against Bruno are put at 6-1, while the undefeated champion, "Iron Mike" Tyson who can fool you with his lip but is awesomely well-prepared - is rated prohibitively at 9-1 on.

But do not be fooled. These are merely bookmakers' odds designed to generate a little side action in the green baized casinos' eternal night. They are merely indices of despair, amusingly fraudulent, and in no way a true measure of the gulf between the champion, who is the heir of Marciano, and his porcelain-chinned challenger, who is universally viewed as the product of brilliant marketing and packaging, but of very little else.

If Bruno were to win tonight's scheduled 12-rounder at the Las Vegas Hilton, he would become the first British holder of the heavyweight title in almost a century. But he won't - simply because his technical limitations and his notorious lack of speed, will render him a tailor-made victim to the strength and skills of a 22-year-old champion whose career record of 35 wins in 35 fights, including 31 knock-outs, may one day eclipse Rocky Marciano's 49-0 record.

This is Tyson's fifth defence of the undisputed heavyweight championship since he beat Tony Tucker to win the International Boxing Federation crown in August 1967 to add to the World Boxing Association and World Boxing Council titles he won in March 1967 and November 1966. Of Tyson's 31 knock-outs, 17 have occurred in the first round, five in the second and two each in the third, fourth and sixth. The youngest-ever heavyweight title-holder, Tyson has already held the championship longer than anyone since George Foreman in the early and mid-1970s.



Michael Thompson-Noel is in Las Vegas to witness the latest episode in the Mike Tyson story



Strictly on the figures, the 27-year-old Bruno has a better knock-out ratio than the champion, with 31 KOs from 32 wins in 34 fights. But many of his victims were patsies lined up by the moneymen to make Bruno look good. That said, it has to be acknowledged that Bruno is ranked as the leading challenger both by the WBA and the WBC, and as No 3 by the IBF.

Aided by Dr David Silverman, a Las Vegas-based psychiatrist - "I'm a medical hypnotist, not a vaudeville act," said the good doctor this week, describing his daily visits to Bruno's hotel suite - Bruno continues to impress all who meet him with his dignity and poise.

ago, when Tyson was a 15-year-old novice and Bruno an elder statesman of 20, I know him. I've been confident for a long, long time."

Because of Bruno's serenity and grace, local fight observers have vied with each other all week not to insult the British challenger. No-one has called Bruno a bum, which patently he is not.

But by Thursday, the strain of so much forced politeness was taking its toll - so much so that Jim Murray, a columnist for the Los Angeles Times, finally let rip by heralding Bruno, who is the 12th British heavyweight challenger since 1900, as potentially "the biggest British overseas disaster since the Titanic."

Tyson, acknowledged Murray, will be giving away reach, height and weight. Bruno will be taller, by four inches; heavier, by about 100 lbs; and faster, with a far superior reach.

But against a force of nature like Tyson, thought Murray, "Frank Bruno is just a kind of complicated punching bag, a measuring rod. If Bruno lasts much past the introductions, if he's still standing at the strains of God Save the Queen die on the night air, Tyson may have to leave town in disgrace and ignominy. If he loses a round, he'll never live it down. If the fight even lasts a round, Tyson is embarrassed."

By far and away the most talking feature of recent days has been the apparent composure and maturity of the champion. He has been training in a locked gym in the presence of guards but his rare appearances have been strikingly at odds with the image - relayed for months by the tabloid crazes - of a young tearaway who had control of his life. According to them, Tyson's life for more than a year has been a violent and lurid melodrama that has pushed him towards suicide.

Certainly, there have been incidents. There was his marriage to actress Robin Givens which ended in tantrums and a multiple divorce. Givens has claimed that life with Tyson was "torture, pure hell, worse than anything I could have imagined." There was the death of his white manager and mentor, Jimmy Jacobs; trouble with his business man-



A Las Vegas billboard invites you to believe that it's going to be war tonight

ager, Bill Cayton, and Tyson's subsequent wooing by promoter Don King.

There was a bare-knuckled fight in Harlem, and a collision with a tree, and a scuffle with a photographer in Toronto, and the dismissal of his trainer, and a certain amount of partying, and five fight postponements, and the ballooning of his weight - and, of course, the crazies loved it.

Only a moron would believe that Tyson's life and career have now calmed for good. But his department this week has been that of an athlete in full possession of his faculties and anxious to resume his interrupted assault on the ghosts of the past - Dempsey and Louis and Marciano and Ali.

For his penultimate Press conference - an intimate hour-long affair that ranged far and wide and demonstrated

that the champion has more sensitivity and intelligence than he is ever given credit for - Tyson was attired swartly

The face is huge, the eyes now astrewn and mobile, the hands almost delicate. He was generous about

wants to be the best. There's no contented easy day." He maintained that his new handlers and cornermen are "competent enough to handle the job. If they do their job and I do my job, the result is a foregone conclusion." And he dismissed as handily all offers of sympathy. "I despise sympathy - I went about doing a lot of things wrong. I made a lot of mistakes. I screwed up. But now I'm where I dominate. In the ring. That's where I do what I do best."

Tyson: 'I made a lot of mistakes. I screwed up. But now I'm where I dominate. In the ring. That's where I do what I do best'

in a black-and-white top and black-and-white shorts that emphasised how a barn-door torso and that famous 20-inch neck, are supported, improbably, on waif-like legs.

He has a soft and slight voice - the lip is caused by gaps in his teeth - although he can boost it, when he wants, with sudden and jolting power.

He said that he hoped to keep busy after tonight, with a fight every six to eight weeks. He said he had never had an idol, and never thought about the record book. "Everybody

CROSSWORD

No. 6870 Set by GRIFFIN Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday March 5, marked Crossword 6870 on the envelope, to the Financial Times, 10 Cannon Street, London EC4A 3DF. Solution on Saturday March 11.

Crossword puzzle grid with clues for Across and Down.

ACROSS 1 Mother's pet dog (7) 2 One usually has butter on these small plates (7) 3 For the audience see some change after a run (5) 4 Frank scolded "he's seeking election" (9) 5 Arena Bill designed for dancer (9) 6 Whip Keith on giving in (5) 7 Boredom in runs running round youth centre (5) 8 Meaning a six-footer is outstanding (9) 9 Always immature yet remaining popular (9) 10 Old Penny rejected inferior flag (5) 11 Ben supported by synthetic fibre (5) 12 I'd rob chap distributing furniture material (9) 13 Pen something to go in the envelope (9) 14 A light in the bay? (5) 15 Trains one to leave it by the passage (7) 16 Always gives information about saws (7)

DOWN 1 The carriage the horse brought round is chastly (7) 2 Apparition ambles round Northern church (9) 3 Is to prosecute children (5) 4 Poor families take key to make an exact copy (9) 5 Mother and Ian played with excessive enthusiasm (5) 6 Model in dirt-free plastic is wasted (9) 7 Where one owned up to nothing (5) 8 Cunning skinhead left on time (7) 9 Clever in having information on promissory notes (9) 10 Poor Lady Swan returned home without (9)

Solution and winners of Puzzle No. 6,858. STAREB ANALYSED... DOWN 1 The carriage the horse brought round is chastly (7)...

TELEVISION & RADIO

SATURDAY

Television and Radio schedule for Saturday, listing programs for various channels like BBC1, BBC2, Granada, etc.

SUNDAY

Television and Radio schedule for Sunday, listing programs for various channels like BBC1, BBC2, Granada, etc.